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(Official Report)

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SIXTH SESSION

OF THE

THIRD LEGISLATIVE ASSEMBLY, 1930



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Legislative Assembly.

President :

THE HONOURABLE MR. V. J. PATEL.

Deputy President :

MAULVI MUHAMMAD YAKUB, M.L.A.

Panel of Chairmen :

PANDIT MADAN MOHAN MALAVIYA, M.L.A.
MR. M. A. JINNAH, M.L.A.
SIR DARCY LINDSAY, KT., C.B.E., M.L.A.
SIR ZULFIQAR ALI KHAN, KT., C.S.I., M.L.A.

Secretary :

MR. S. C. GUPTA, BAR.-AT-LAW.

Assistant of the Secretary :

RAI SAHIB D. DUTT.

Marshal :

CAPTAIN SURAJ SINGH BAHADUR, I.O.M.

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LEGISLATIVE ASSEMBLY.

Tuesday, 25th February 1930.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

MEMBERS SWORN:

Mr. Sadasheo Dhoondiraj Talatuley, M.L.A. (Central Provinces: Landholders); Mr. J. Ramsay Scott, M.L.A. (United Provinces: European).

SHORT NOTICE QUESTION AND ANSWER.

Communal Riot at Dacca.

Mr. A. H. Ghuznavi: (*a*) Are Government aware of a serious Hindu-Muslim riot, entailing loss of lives, that broke out in the city of Dacca in the last week of January last?

(*b*) Is it a fact that riot continued for several days and that it brought the normal life of the city to a standstill?

(*c*) Is it a fact that, in consequence thereof, all Law Courts, schools and colleges had to be closed?

(*d*) Is it a fact that the authorities had notified, on January 25, under section 35A of Act V of 1861, prohibiting all unlicensed processions throughout the city of Dacca?

(*e*) Are Government aware that the student champions of Independence were determined to take out a procession without licence?

(*f*) Did the processionists take out any licence from the authorities on the "Independence" day?

(*g*) If the answer to the above question be in the negative, why did not the District Magistrate disperse the procession in the beginning, especially when the authorities were satisfied that an unlicensed procession was likely to bring about a breach of the peace?

(*h*) Are Government prepared to form a mixed committee of officials and non-officials to inquire into the matter?

The Honourable Sir James Crerar: (*a*), (*b*) and (*c*). I would refer the Honourable Member to the reply I gave to the short notice question by Mr. Anwar-ul-Azim on the 11th instant. I understand that for some days the normal life of the city was suspended after sunset, but that during the day business was not greatly interfered with, except for occasional closing of shops in areas in which outbreaks occurred. The Law Courts continued to function throughout, but schools and colleges were closed up to the 5th February.

[Sir James Crerar.]

(*d*) to (*f*). Notices were issued under section 30 of the Police Act, requiring processions to take out licences. The gathering which was the cause of the disturbance was formed by the amalgamation of small groups of students carrying flags and shouting. These groups did not apply for a licence.

(*g*) The District Magistrate did not anticipate any communal trouble or other disturbance, and decided that, instead of dispersing such gatherings, it would be preferable to take action against the leaders afterwards.

(*h*) I understand the Local Government do not propose to constitute any committee of inquiry. I have no doubt the facts will be in issue before the Courts.

Nawab Sir Sahibzada Abdul Qaiyum: Do Government feel strong enough to enforce their orders, whether they are with respect to the grant of permission for processions or whether they are for refusal of permission?

The Honourable Sir James Crerar: This matter was dealt with by the local authorities, and I have no doubt that the District Magistrate, who had to deal with a difficult and emergent situation, exercised his discretion properly.

Nawab Sir Sahibzada Abdul Qaiyum: Do the Government of India feel any responsibility in this respect, or does the whole thing lie with the Local Government? The matter is one of imperial concern and not very much of a local nature.

The Honourable Sir James Crerar: The action to be taken in a particular position of this kind is necessarily one which devolves immediately upon, and must be discharged immediately by, the local authorities.

Nawab Sir Sahibzada Abdul Qaiyum: I asked whether the Government of India feel strong enough to get their orders respected in matters like this?

The Honourable Sir James Crerar: Yes, Sir.

Dr. A. Suhrawardy: The Honourable Member has just stated that the District Magistrate did not anticipate any communal trouble. Will the Honourable Member please state whether the District Magistrate anticipated any political trouble, due to difference of opinion between the champions of Independence and those who did not share the view of those champions? If not, why did he require licences to be issued at all?

The Honourable Sir James Crerar: The District Magistrate no doubt considered that, in view of the demonstrations which had been announced for that day, there was considerable possibility of trouble and he took his measures accordingly.

Dr. B. S. Moonje: Are Government aware of the allegations that have been made in the papers regarding the action of the District Magistrate, the Deputy Superintendent of Police and other police officers in the matter of refusing adequate protection to the Hindus.

The Honourable Sir James Crerar: The whole of the circumstances with regard to these disturbances will be before the Courts in connection with the cases which are now pending, and I do not think it would be proper for me, at this stage, to make any further statement with regard to them.

Dr. B. S. Moonje: Has the attention of the Government been drawn to the allegation that has been published in the papers regarding the action of the District Magistrate and the police officers?

The Honourable Sir James Crerar: I have seen statements in the Press.

Mr. Anwar-ul-Azim: Is it a fact that the first trouble arose as a result of the burning of the holy books of the Mussalmans by the processionists?

The Honourable Sir James Crerar: These are questions likely to come under investigation in a Court of law.

Dr. B. S. Moonje: Do the Government propose to make inquiries about these allegations?

Mr. President: That question will be under investigation by a Court of law.

Mr. K. C. Neogy: Is it not a fact that there are certain allegations, which cannot possibly be the subject matter of any judicial investigation that may be taking place at the present moment?

The Honourable Sir James Crerar: I am not aware of that.

Mr. K. C. Neogy: Is the Honourable Member aware that certain allegations have been made regarding the apathy of the District Magistrate, when particularly the Hindus wanted protection from him, which he was not inclined to give?

Mr. President: There cannot be any fine distinction as to what will come before the Courts and what will not.

BILLS PASSED BY THE COUNCIL OF STATE LAID ON THE TABLE.

The Secretary of the Assembly: Sir, in accordance with rule 25 of the Indian Legislative Rules, I lay on the table the following Bills which were passed by the Council of State at its meeting held on the 24th February, 1930:

(1) A Bill further to amend the Special Marriage Act, 1872, for certain purposes.

(2) A Bill to amend certain enactments and to repeal certain other enactments, and

(3) a Bill further to amend the Prisons Act, 1894, for a certain purpose.

MESSAGES FROM THE COUNCIL OF STATE.

The Secretary of the Assembly: Sir, the following two Messages have been received from the Secretary to the Council of State. The first Message is as follows:

"I am directed to inform you that the Council of State has, at its meeting held on the 24th February, 1930, agreed without any amendments to the Bill to centralise and vest in the Governor General in Council the control over certain operations relating to dangerous drugs, and to increase and render uniform throughout British India the penalties for offences relating to such operations, which was passed by the Legislative Assembly at its meeting held on the 12th February, 1930."

[Secretary of the Assembly.]

The second Message runs as follows:

"I am directed to inform you that the Bill further to amend the Indian Patents and Designs Act, 1911, for certain purposes, which was passed by the Legislative Assembly at its meeting held on the 27th January, 1930, was passed by the Council of State at its meeting held on the 24th February, 1930, with the following amendments, *viz.*:

1. In sub-clause (*1*) of clause 1, for the figures '1929' the figures '1930' were substituted,
2. In sub-clause (*b*) of clause 9, in proposed sub-section (*1A*), for the word 'January' the word 'July' was substituted, and
3. Clause 28A was renumbered as clause 29 and the subsequent clauses were renumbered consecutively.

The Council of State requests the concurrence of the Legislative Assembly in the amendments."

Sir, I lay on the table the Bill as amended by the Council of State.

THE RAILWAY BUDGET—LIST OF DEMANDS.

DEMAND NO. 1—RAILWAY BOARD—*concld.*

Mr. President: The House will now resume further discussion on Demand No. 1 of the Railway Budget.

Policy of Reservation of Compartments as "for Europeans".

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, I beg to move:

"That the Demand under the head 'Railway Board' be reduced by Rs. 100."

My intention is to invite Government to make a declaration of their policy in regard to the reservation of railway compartments as "for Europeans". About five years back I had the privilege of bringing forward a Bill for the purpose of making such reservations illegal. That Bill was passed by the Legislative Assembly, but Government, in the plenitude of their wisdom and in the plenitude of the support which they can always command in the other House, prevented that Bill from reaching the Statute-book. A few days back my Honourable friend, Mr. Aney, introduced a similar Bill. Unfortunately, it has not yet been possible for this House to take that Bill into consideration. I should, therefore, like the Honourable Member in charge to make a declaration as to whether their policy in this matter has undergone any change.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I can dispose of this motion quite briefly. My Honourable friend, the Mover, has referred to the Bill for which he was responsible, which was carried by the Assembly five years ago, but was subsequently rejected in the Council of State. At that time the view advanced by Government was that the practice was dying out of itself that the reservation of compartments was being reduced to much smaller dimensions and that, in course

of time, the practice would disappear. In connection with Mr. Aney's Bill, which was not reached on any of the days devoted to private Bills, the Government of India again reconsidered the matter. It appeared that since Mr. Neogy's Bill was before the House, the practice of reserving third class compartments for Europeans and Anglo-Indians had been abandoned on the Burma and South Indian Railways. The practice now only obtains on five railways, *viz.*, the Bengal Nagpur, the North Western, the Madras and Southern Mahratta, the East Indian and the Great Indian Peninsula Railways. In the whole of India, one small compartment is reserved on 83 trains, which is 4·4 per cent. of the total number of trains. The Government of India, after considering the matter carefully, came to the conclusion that the time had come when the practice might be discontinued altogether. What they have decided to do is to take steps on the State-managed railways, so that, by the end of the year 1930 the reservation of third class compartments for Europeans and Anglo-Indians will be discontinued. They have also decided to use their influence with the Company-managed railways of which there are only two, *viz.*, the Bengal Nagpur and the Madras and Southern Mahratta, to bring about the same result. They have no reason to believe that these Companies will be unwilling to fall into line with the policy of the Government in the matter.

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

Reduction of Rates and Fares on the Bengal Nagpur Railway.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, with your permission I would omit Motion No. 25 and move Motion No. 26, which runs thus:

"That the Demand under the head 'Railway Board' be reduced by Rs. 100."

This motion relates to the reduction of rates and fares on the Bengal Nagpur Railway in 1927-28. The Honourable the Railway Member, in his budget speech that year, announced certain reductions of third class rates and fares on the East Indian and the North Western Railways. He said:

"We expressly invited the attention of the Agents to the passenger fares in the light of statistics, and did tell them that it would be proper to consider further reductions. As a result of this, the East Indian Railway, the North Western Railway and the Southern Mahratta Railway were justified in proposing further reductions, and they have already been brought into force in one case on 1st January."

Sir, I began to wonder why the rates were not reduced on the Bengal Nagpur Railway. When I looked at the accounts of the various railways in India, as submitted before the Public Accounts Committee, last year, I began to compare the profits of the Bengal Nagpur Railway with those of the Eastern Bengal and the North Western Railways. I give below the profits of the three railways for the years 1925-26, 1926-27 and 1927-28:

	Percentage of profits.
Bengal Nagpur Railway	4·72
	5·08
	5·03
East Indian Railway	3·97
	5·37
	5·38
North Western Railway	4·22
	3·48
	3·55

[Mr. B. Das.]

I cannot understand why, in the North Western Railway, which gives a net income of 3·55 per cent. there was a reduction of third class fares for people travelling on that line. It may be that the territory over which the Bengal Nagpur Railway travels is not adequately represented on the floor of this House, and therefore nobody brings forward a motion to press on the Honourable the Railway Member that there should be a reduction of rates there.

Sir, as a member of the Public Accounts Committee, last August I put various questions as to what was happening on the Bengal Nagpur Railway, regarding reduction of third class fares. I have referred already on the floor of the House to the fact that there have been various extravagances on that line, and that matter is still under the consideration of the Public Accounts Committee and the Government of India. Sir, last year, at Simla, the Public Accounts Committee appointed a sub-committee, which was presided over by my Honourable friend Mr. Neogy, and that sub-committee gave its finding about the Bengal Nagpur Railway in the following terms:

"As regards the serious irregularities on the Bengal Nagpur Railway, we understand that a comprehensive letter has been addressed to the Company by the Railway Board, which will be considered by the main Committee. In the circumstances, we refrain from making any comments at this stage."

The main Committee went into their findings and their conclusions are given in page 24 of the Report of the Public Accounts Committee:

"As regards the sub-paragraph 8 of the Report of the sub-committee, we are satisfied that the points raised by us have for the present been adequately dealt with in the letter addressed by the Railway Board to the Agent, Bengal Nagpur Railway, but we desire to have a full report next year, on the action taken as a result of this letter."

There has been a huge waste of expenditure and a huge waste of money. I would quote only one instance, which will convince Honourable Members how the Bengal Nagpur Railway has been recklessly squandering money This is found in page 93, paragraph 14 of the Appropriation Accounts of Railways in India for 1927-28:

"Loss in Departmental brick manufacture. In 1923 an estimate was sanctioned by the Agent—"

Of course, the Agent had the advice of the Chief Engineer and other Engineers who are supposed to be experts in the line,—

"for cost of plant, kilns, etc., amounting to Rs. 2,97,244 for manufacture of bricks by departmental agency. This estimate was further revised in 1924 under Agent's sanction to Rs. 4,59,432. . . . The cost of outturn for bricks thus works out on the year's outlay to Rs. 102 per thousand, and including proportionate charges on Capital Block Account, to Rs. 139 per thousand, against Rs. 14, the contractor's rate."

This conclusively shows the extravagance of the Bengal Nagpur Railway, and how public money is squandered, while we want saving, so that third class passengers, who are the largest contributors to the Railway might get the benefit of reduced fares. Instead of that, the Bengal Nagpur Railway is spending money on mad experiments. Probably that engineer who advised the Agent was not an expert. I do not know whether he is still in service. What could have been obtained at Rs. 14 per thousand from the market, the Railway manufactured at Rs. 139 per thousand. Sir, I do not want to quote other instances of extravagance, but I would ask Honourable Members, who would be interested in rectifying the mismanagement of this Railway, to look into the Appropriation Accounts of

Railways in India for 1927-28, and they will find ample material supporting my statement. I would have thought that the Honourable the Railway Member would press on the Bengal Nagpur Railway to bring about that happy result, when they would reduce their rates and fares. It seems that, before 1916-17, the Bengal Nagpur Railway had an investment of about £45 millions, and when in 1912 the Government of India entered into a fresh contract with that Railway, the rate of interest was reduced to 3½ per cent., and the money that has been borrowed since then by the Government of India, except a few crores borrowed after 1922, was borrowed at more than 3½ per cent., so that the Bengal Nagpur Railway makes a profit every year. Any surplus which the Bengal Nagpur Railway might earn, after paying 3½ per cent. to the Government for paying interest on borrowed capital, must go towards the reduction of rates and freights.

Now I claim reduction from another point of view. I find on page 18 of the same Appropriation Accounts that the number of passengers who travelled on the Bengal Nagpur Railway in 1926-27 was 24,540,700, and in 1927-28, they were 25,874,300. As regards the tonnage carried, in 1926-27 it was 13,546,000, while in 1927-28, it was 15,617,000. Well, I look to the favoured railways, that is railways in which the passengers are favoured with reduced fares so far as third class passengers are concerned, such as the East Indian Railway and the North Western Railway, and there I do not find any appreciable increase in the number of passengers or in the tonnage, rather I find in the North Western Railway that the tonnage carried has been reduced from 19 million odd tons to 17 million odd. In the East Indian Railway, I find just a slight increase of tonnage and also passengers. Sir, I am not an expert in these matters. I think my Honourable friend Mr. Haji may contribute something to the discussion of this matter. While there has been an increase in both the number of passengers travelling as well as in the quantity of tonnage carried, we find that the same post-war high rates of tariff still prevail on the Bengal Nagpur Railway.

Why should not Government enforce an equitable system of rates on all railways? If the Government do not insist on reduction of rates and freights, they help the Company-managed railways to appropriate their surplus profits towards payment of higher dividends, in addition to the guaranteed interest that Government pay. Apart from that, I do not wish to see that the Government should simply be a tax-collecting department. The railways are public carriers, and if they are carriers, they should charge only reasonable rates so that all classes of people, especially the third class passengers, might be benefited. My Honourable friend the Railway Member has himself admitted that the Bengal Nagpur Railway travels through a poor country. When Government think of reducing railway rates and freights, they ought to consider first the claims of the railways which travel through comparatively poorer parts of the country. Sir, I submit that the time has come when the rates and freights on the Bengal Nagpur Railway should be reduced. I remember in the last Public Accounts Committee, we raised a discussion on this subject, and even the Chairman, Sir George Schuster, was pleased to observe that circumstances, as they appeared before the Public Accounts Committee, justified a reduction of rates and freights on the Bengal Nagpur Railway. With these remarks, I move my motion.

Mr. A. A. L. Parsons (Financial Commissioner, Railways): Sir, I admire the ingenuity with which my Honourable friend has at last brought

[Mr. A. A. L. Parsons.]

the irregularities of the Bengal Nagpur Railway to notice on the floor of the House. I presume his argument is more or less as follows. The Bengal Nagpur Railway has been squandering money. If it had not been squandering money, it would have been better off, and if it had been better off, it could have reduced rates and fares, and more particularly it could have reduced third class fares. I do not think that misrepresents my Honourable friend. I am not sorry that he has succeeded in bringing up this question, which I understand raised some public comment at the time when the matter came before the Public Accounts Committee, because I think there are some remarks which ought to be made. It is not an easy position for the Financial Commissioner of Railways to defend a Railway Administration against charges of irregularity, because it is very much his duty and his wish to enforce regularity on railways, and anything he says may, therefore, be misconstrued, as showing a lightness of heart or spirit on his part towards one of the important sides of his duties. On the other hand it is necessary, in these matters, to be judicial. Therefore when I came out from home, I myself went through the various irregularities which came to the notice of the Public Accounts Committee. The number actually mentioned in this year's Report was 30. They were not all serious, and some of them were mainly formal, nine being first brought to notice in the Report for 1927-28, while 21 had come forward from the previous year's Report. Now if there were 30 irregularities spread over two years on any individual Railway Administration, serious enough to be brought to notice in an Appropriation Report, there would be very good *prima facie* grounds for condemning wholeheartedly the administration of that Railway. But actually,—and this is what I think was not realised at the time,—that was not the position. Of these 30, only four were irregularities relating to the years on the accounts of which the Reports of 1926-27 and 1927-28 were compiled. With regard to another three or four irregularities, I have not been able to get any information as to the date of the occurrences, and I may mention that, in some cases, the dates of the irregularities were not given in the Reports. That makes 8. The remaining 22 were spread over the years from 1910 onwards to 1925-26; that is to say, these 30 irregularities were spread over a period of 18 years. That obviously puts a very different complexion on the matter, and is obviously relevant to any charge that the Bengal Nagpur Railway has been, as a whole, badly administered. I myself have had my quarrels with the Bengal Nagpur Railway Administration on certain of these cases, but I do think that it is desirable to be judicial in a matter of this kind, and not to condemn a Railway Administration root and branch because certain things have not been done well on that railway.

I will now pass on to the question whether the Bengal Nagpur Railway should be asked—or compelled as, I think, the Honourable Member said—to reduce its rates and fares, and particularly its third class fares. No one would, I think, gather from my Honourable friend's remarks that the Bengal Nagpur Railway in some respects may even be said to have gone further than some other railways in the matter of reductions. Their reductions in fares, I may say, are all for distances of over 300 miles. As a whole, the Bengal Nagpur Railway has followed the policy which we follow, of reducing fares and freights for longer distances, in order to encourage traffic over longer distances, and that is an extremely sound policy. In 1926 they reduced intermediate class passenger fares, and also third

class passenger fares. They reduced ordinary third class fares, for example, from 3½ pies per mile for distances over 300 miles, to 2½ pies per mile,—a reduction of a full pie. They also reduced, following our own reductions of 1929, their luggage and parcels rates. They increased, as we have done, the free allowances of luggage of third class passengers from 15 to 25 seers, *i.e.*, an increase of over 50 per cent., and they made various substantial reductions in the rates on various agricultural commodities, such as oil-cake, manures and wood. They followed us in the reductions on coal.

Now, the question whether they should make further reductions is, to start with, very much a question of the financial position of that Railway; and if the Honourable Member had referred to the Pink Books which we supply, he would have seen that the Bengal Nagpur Railway had a loss in 1928-29, the last year for which accounts are available, of nearly 48½ lakhs, whereas the North Western Railway, with which he made a comparison, had in that year a profit of Rs. 33,80,000. Obviously a railway which has incurred a fairly substantial loss is not in as good a position to effect further reductions of rates and fares as a railway which is earning a profit, and I myself should not be prepared to press the Bengal Nagpur Railway to make a further reduction at present, unless it was a reduction which was likely immediately to bring a corresponding increase of revenue from increased traffic.

There is a further point with regard to the Bengal Nagpur Railway. It is, as a whole, a line which runs through a country which is not thickly populated. It has heavy gradients, so that trains are expensive to move, and its goods traffic is largely in heavy ores, a not very paying traffic. Therefore you cannot expect that Railway to pay as well as other Railways, nor can the inhabitants of that area actually expect to get their transportation as cheaply as the inhabitants of other areas, for instance, those served by the East Indian Railway, because the line has cost more to build and the revenue obtained from the line, when opened, is lower than it is in more favoured localities. As regards the recommendation which has been made in the Public Accounts Committee's Report, we shall of course give that recommendation very serious consideration owing to the body from which it came. It does, however, as far as I can see, go against the whole of the previous rates policy of the Government of India, which has been to fix the rates, subject to certain maxima and minima, with regard to the individual circumstances of each Railway Administration.

Mr. President: The question is:

"That the Demand under the head 'Railway Board' be reduced by Rs. 100."

The motion was negatived.

Sardar Bahadur Honorary Captain Hira Singh, Brar (Punjab: Nominated Non-Official): On a point of order, Sir, my motion No. 62* is on the same subject as No. 28 . . . . . .

Mr. President: We are only half way yet.

Racial Discrimination.

Munshi Iswar Saran (Lucknow Division: Non-Muhammadan Rural): Sir, in view of the discussion which has already taken place, I do not propose to move my cut No. 29, and therefore by your leave, I shall go to cut No. 30.

*"That the Demand under the head 'Railway Board' be reduced by Re. 1. (Transportation of food stuff and fodder from Punjab colonies to other places.)"

[Munshi Iswar Saran.]

I beg to move:

"That the Demand under the head 'Railway Board' be reduced by Rs. 100.".

Sir, this debate year after year is humiliating and provoking. It is humiliating that we should go on protesting year after year against our being deprived of the full opportunity to serve in the Railway Department in our own country and that our protest, our entreaty and our request should all go in vain. It is provoking because we find that the bar sinister still exists in spite of our protest and struggle. But I suppose we have to carry as long as the wrong is not righted.

May I, with your permission, say only one brief word here as regards the Anglo-Indian community, because in the discussion unfortunately something will have to be said about them. I wish to assure that community that we all are anxious that it should have its due share in the railway service, indeed in all services. But at the same time, we are very anxious that no community, be it the Hindu community or the Muslim community or the Anglo-Indian community, should have a preponderance of posts in any Department or in any service to the detriment of other communities. (Hear, hear.) I shall offer a word of advice, if I may, to the Anglo-Indian community. The time has come when the Anglo-Indians ought to make up their minds once for all in regard to the attitude they will adopt towards the big problems that are engaging the attention of the country today. Let me say in all friendliness that they should cease to play the role of Mr. Facing-both-ways. That role will not do; it will not pay. I hope they will take suggestion in the spirit in which it is offered. They ought face the realities of the position. They ought to determine their aim, and the destiny that lies before them.

As regards racial discrimination, Sir, there is no one who will be prepared to assert that it does not exist. If I am right in making this statement, as I submit I am, then the question naturally arises, what is Government doing in regard to it? I must confess, Sir, that, perhaps on account of my ignorance or want of information, I am unable to comprehend the attitude of Government. I do say, and I do wish to lay stress on it, that they have no consistent policy unless the policy be to tolerate racial discrimination. May I invite the attention of the House to a speech which was delivered by Mr. Parsons in the budget debate of 1928? On that occasion Mr. Parsons said:

"Whether Government holds" (*I am leaving out the unnecessary words*) "Whether Government holds that Indians are incapacitated constitutionally or otherwise from carrying out properly the duties of the subordinate posts which we are now discussing; the answer is immediately and directly 'no'. Government do not propose"—

I shall beg the House to mark these words—

"Government do not propose to have any policy of racial discrimination in that matter. It has been pointed out by my Honourable friends that, in certain specific instances which they have brought before the House, there appears, I should prefer to call it, a remnant of racial discrimination either in the terms which are offered for initial employment or in the treatment after employment of different communities. I wish to say here and now that the Railway Board do not countenance any such discrimination. They have definitely informed all Railway Administrations that discrimination of that character should be abolished and they have obtained assurances from the Railway Adminstrations that they are taking steps to abolish that discrimination."

This statement was made not by a private Member; this statement was made by the Government spokesman on behalf of the Railways. If we carefully consider this statement, the conclusion seems to be irresistible that Government admitted the existence of racial discrimination and made up their minds to remove it as quickly as they could. Then, Sir, we come to the speech of Sir George Rainy, which he delivered in 1929, and I apologise to the House for giving this long quotation, because it is necessary for the purpose of the particular argument which I wish to develop that I should give a somewhat long quotation from his speech. Says Sir George Rainy:

"We have to recognise specially on a railway like the East Indian Railway or the Great Indian Peninsula Railway, which are now State-managed, that we took them over with all the inheritance of the rules which had been framed under Company management, and that we cannot, by any sudden stroke of the pen, eliminate all the differences which have grown up under those rules. What we can do, and what we ought to do, is steadily to maintain the pressure so that where these rules definitely admit racial discrimination in particular matters, this should be rectified and the racial discrimination eliminated. That is what we are aiming at, and I entirely agree that these annual debates on the subject in the Assembly are of great use because they keep the attention of the Railway Board and of the Railway Member concentrated on the point, so that more rapid progress is made than would otherwise be the case."

Again, Sir, I submit that after carefully considering this statement of Sir George Rainy, one felt certain that the existence of the disease was admitted. It was further admitted that Government was going to apply the remedy and that these annual debates in the Assembly would make Government apply the remedy with greater rapidity. But, Sir, in the present speech of the Honourable the Railway Member, what do we find? He says:

"I must also refer to the elimination of racial discrimination, but I can do so only briefly. The whole question has been systematically considered and we have now reached a stage when the material has been digested and consultation with the Central Advisory Committee is likely to be both helpful and fruitful."

After admitting the existence of racial discrimination, after telling us that Government are going to remove it, we are now told in 1930 that the materials have been collected, and we have now reached a stage when a consultation with the Advisory Committee will be both helpful and fruitful and the conclusion obviously will be come to after this consultation.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): In regard to the method. It is a step in advance.

Munshi Iswar Saran: I am indebted to my Honourable friend, Sir Purshotamdas Thakurdas.

Sir Purshotamdas Thakurdas: I am only putting forward a construction which strikes me.

Munshi Iswar Saran: I take it that it is in regard to the methods by which racial discrimination is to be removed, that consultation is necessary. Am I right?

Sir Purshotamdas Thakurdas: Yes, about right.

Munshi Iswar Saran: I am content if I am about right. I submit, Sir, that as far as this racial question is concerned, if Government are really

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in earnest, very little consultation is necessary. If any consultation was necessary, that stage has passed.

There is racial discrimination as regards recruitment to the services; there is racial discrimination as regards the treatment that they mete out to their Indian and non-Indian servants; there is racial discrimination as regards the facilities and amenities they give to their Indian and non-Indian servants. Sir, this is a matter which has been discussed threadbare; this is a matter which has been agitated in this House and in the public Press and on the public platform for a very long time. Are we to understand that the question is so full of difficulty and complexity that it is necessary, in order to come to some conclusions, to consult the Railway Advisory Committee? I ask, Sir, why was this consultation, which has been mentioned now by Sir George Rainy, not mentioned by him last year or by Mr. Parsons the year before? I do submit that, in spite of my very best efforts —I wish to assure Sir George Rainy and my Honourable friend Sir Purshotamdas Thakurdas—that in spite of my very best efforts to put the most generous and the most charitable construction on this idea of consultation, I am very painfully and reluctantly driven to the conclusion that this was not necessary. We know, Sir, that in 1926 Mr. Sim, speaking on behalf of the Railway Department, admitted the existence of racial discrimination, and it is in 1930 that the question of consultation has been brought forward! I say, Sir, if this consultation has to be made, it ought to have been made much earlier. Did the Government take six years' time to make up their mind whether they should consult the Advisory Committee or not? I submit, Sir,—and I shall be sorry if I am doing any injustice to Sir George Rainy or to Government,—that for a man who has studied this question carefully and deeply, there is no other conclusion possible than this, that they are not serious about this matter. We get lip sympathy in abundance. Personally, speaking for myself, I hate that word "sympathy". Indians do not want sympathy; they want justice; they want recognition of their rights. Then, Sir, sympathy becomes of no avail when it is not translated into action. We are told that instructions have been sent to the Railway Administrations, and yet I shall show to the House later on that those instructions have not been observed, have not been obeyed. A tree is known by its fruits; the value of the instructions lies in the action that they lead to. If they lead to no action, or to unsatisfactory action, then it is very little satisfaction to us that they were issued. There is one question which I should like to put. Are Government unable to enforce the policy which they lay down, or which they approve of? Is it possible for Railway Administrations to snap their fingers at the instructions which are issued by the Railway Board on behalf of Government? If that be so, Sir, then there are only two alternative conclusions, and I leave it to Sir George Rainy to decide which he will accept; either the Railway Board is feeble and incompetent, or all this talk about bringing about a change is insincere. The alternatives, Sir are incompetence or insincerity; let the Railway Member make his choice as to which he will accept.

Now, Sir, as I have already submitted this question has been engaging the attention of the House for a long time. I shall give a few figures to show how the matter actually stands, and I have been careful to take only figures of the period since Sir George Rainy came into office.

We find that in the year 1926-27, the number of Indians filling gazetted posts—I shall beg the House to mark this—increased from 26·85 per cent. to 29·7 per cent. On the four State-managed lines the increase was from 32·02 per cent. to 34·68 per cent. In the year 1927-28, the number rose from 29·26 per cent. to 31·82 per cent., and on the four State-managed railways it rose from 34·74 per cent. to 38·09 per cent. Then, in the year 1928-29, from 31·51 per cent., it rose to 32·71 per cent., and on the five State-managed railways it increased 35·99 per cent. to 36·22 per cent.; Sir, at the rate roughly of 3 per cent. annually Indianisation is proceeding. I ask, how long will it take to reach the maximum?

My Honourable friend Mr. Hayman told us, in answer to my friend Mr. Ghuznavi, "Good heavens, what nonsense about Indianisation you are talking? We have almost reached the highest figure possible". Mr. Hayman either takes us to be very simple-minded because he is new to the House, or he has said something which I for one am unable to understand. I shall request Mr. Hayman to controvert the conclusion that I have drawn from the figures that I have quoted that, during these years, the increase has been only 2 per cent. or 3 per cent. at the outside. I shall now ask him to consider how he has been filling the vacancies that have been occurring. I submit, Sir, that this is a very good test of Indianisation. We find that in 1927-28—I am taking only one year's figures—the percentage of Europeans to the number of vacancies filled among officers of gazetted rank was 32·0 per cent., and it rose to 43·0 per cent. in 1928-29. What do we find about Indians? In 1927-28 the percentage was 68·0 per cent., but it fell in 1928-29 to 57·0 per cent. Sir, this is how Indianisation is going amongst gazetted officers.

Let us turn for a moment our attention to Indianisation in the subordinate staff, as I may call it, who get Rs. 250 or over on Class I Railways.

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In 1928 the number of Europeans was 2,046.

In 1929 the number of Europeans was 2,051.

In 1928 the number of Hindus was 1,921.

In 1929 the number of Hindus was 2,068.

As regards the Mussalmans, I must say that their representation is very very inadequate; in 1928 the number of Mussalmans was 330 and the number rose in 1929 to 360.

The number of Anglo-Indians was 3,784 in 1928, and it rose to 3,800 in 1929.

The number of "Other Classes" rose from 536 in 1928 to 662 in 1929. Taking the subordinate service alone into consideration, if you go on Indianising at the rate at which you have gone on, I assert that it will take a very long time to Indianise the entire service which is enough to exhaust the patience even of a very patient man like myself. My Honourable friend, Dr. Moonje, says it will take a century to Indianise. What is a century when compared with eternity. (Laughter.)

Let us come to the Railway Board itself. What do we find there? We had thought that, any rate in the Railway Board itself, Indianisation

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would proceed at a greater pace. We find that in 1928 there were five Europeans (I am talking of the subordinate staff) and in 1929 there were six. The number of Hindus went up from 87 to 130 in that period, while the Mussalmans increased from 10 to 13 and Anglo-Indians from 17 to 23, and other classes remained at the same figure—12 in 1928 and 12 in 1929. That is how it goes on in the Railway Board.

Look at the result of the instructions that have been issued to various Railway Administrations and see how Indianisation is being carried on by them. Take the Assam Bengal Railway. We find that in the Agency Department there were three Europeans in 1928 and the same number continues in 1929—there are no Indians whether Hindus, Mussalmans or any others. (*An Honourable Member*: "It is a Company-managed railway.") Never mind whether it is a Company-managed Railway or not. On the Bombay, Baroda and Central India Railway in the Agency Department in 1928 there were seven Europeans, and in 1929 their number increased by one. The number of Anglo-Indians was one in 1928 and we find the same number in 1929. There are no Hindus or Mussalmans in this Department.

Then take the subordinate staff on the Eastern Bengal Railway. There are a number of Traffic Inspectors who get from Rs. 300 to 500 and there is no Indian amongst them. Take the Assistant Station Masters—there are a number of them who get from Rs. 280 to Rs. 330 and there is no Indian among them.

Mr. B. Das: They are all Anglo-Indians; they are not Europeans

Munshi Iswar Saran: My Honourable and gallant friend, Colonel Gidney will give you an answer that might satisfy you.

Then on the East Indian Railway we find that, in the Stores Department, there are four officers who get from Rs. 550 to Rs. 600, and there are no Indians among them. There are two officers who get from Rs. 500 to Rs. 550 and there are no Indians among them. Amongst the three officers who get from Rs. 425 to Rs. 500 in the same Department, there are no Indians. Then take the Boiler Inspectors; there are no Indians among them. There is no Indian mechanic. Then take the Station Masters, A class—Rs. 430 to Rs. 530—there are no Indians. Station Masters, B class—Rs. 360 to Rs. 400—there are no Indians. Station Masters, C Class—Rs. 300 to 350—there are no Indians. I shall not trouble the House with any more figures; the few that I have given are enough to show that the picture is sad and depressing.

An Honourable Member: Take the North Western Railway; it is no better.

Munshi Iswar Saran: I have cited only a few cases by way of example. I know it will be said that some of these are Anglo-Indians who are statutory Indians and that no objection can be taken to them.

Lieut.-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): Have you any objection to it?

Munshi Iswar Saran: My Honourable and gallant friend, Colonel Gidney, asks me if I have any objection. I say "Yes" for this reason: Conceding the claim of Anglo-Indians, what we have to decide is whether

they should be allowed to shut out members of other Indian communities from railway services, and whether the members of this particular community should be allowed to have, if not, the practical monopoly, at any rate, the vast majority of the railway posts, I say, Sir, the present policy is wrong. It is true that, having regard to their past history and the present condition of the Anglo-Indian community, they are entitled to certain considerations and certain concessions; that is very different from saying that the Anglo-Indian community should continue to enjoy the advantages which it has enjoyed so long.

Lieut.-Colonel H. A. J. Gidney: Whoever said that? I do not remember to have said so, but I know you envy my position.

Dr. A. Suhrawardy (Burdwan and Presidency Divisions: Muhammadan Rural): You need not say it; it is a fact.

Munshi Iswar Saran: I wish to make it perfectly clear to them that, as far as we are concerned,—I hope I am speaking on behalf of a great majority of Members on this side of the House—we do not wish the Anglo-Indian community to be kept out of railway employment, but we do object to the unfair advantage which they are enjoying today and we do resent the disadvantages and handicaps of other Indian communities. I say to the Anglo-Indian community, "Please go into other Departments as well, have your share in them, as indeed every other Indian community is entitled to have its share". Let me illustrate this point, and it will be clear even to my Honourable and gallant friend, Colonel Gidney. Take the Judicial Service; suppose we had competent, educated and capable Anglo-Indians who came forward and said, "Let us have our share in the Judicial Service", can Hindus or Musalmans turn round and say, "No, thank you; look at past history; we have made the Judicial Service what it is"? That would not be fair. (*An Honourable Member*: "But we are kept out as a matter of policy.") There are so many interjections and interruptions that I hope Sir George Rainy will take note of their meaning, significance and force; then only will he be able to appreciate the extreme moderation of the remarks which I have the honour of addressing to the House. . . .

Sir Darcy Lindsay (Bengal: European): In all humility.

Munshi Iswar Saran: Quite right; my Honourable friend, the Leader of the European Group is perfectly right; it is in all humility that I am making these submissions, but my trouble is that, in spite of the humility, the request will not be granted. (*An Honourable Member*: "Why do you say that?") Because I know from past experience.

Intimately connected with this question is the question of the training of Indians in various workshops. I shall only ask some one, on behalf of the Railway Department, please to answer these questions:

(1) How many Hindu and Muslim boys are being trained in the various workshops such as the Jamalpur or Kharagpur workshops?

(2) Is the test of admission the same in the case of all boys, or is there any distinction made between these tests?

(3) Do the Indian and Anglo-Indian boys get the same allowance during the period of training?

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(4) Do they start on the same salary after they come out of the workshops?

I fully recognise that my Honourable friend Sir George Rainy is a terribly busy man, and I suppose his duties are so multifarious that he cannot be expected to look into every detail of every department, but I shall beg of him to consider, whether in his opinion the training that is being given to Indian boys is sufficient, whether he thinks that they are receiving the encouragement that they ought to receive or whether he feels that there is a distinction made between them on the one hand and between Anglo-Indians on the other.

These questions have been discussed, I might say, *ad nauseum*, and therefore, I do not wish to repeat them. I am only inviting the attention of the Honourable Sir George Rainy and the Railway Board to these questions.

Now, what about the education of the children of the railway employees? What amount do you spend over the education of the children of Anglo-Indian employees and of Indian employees? Have you raised the position of the teachers of purely Indian schools, or are you still in the stage of comtemplation? Has the process of the digestion of the material on the subject been completed or is it still going on? The next question is, what is the East Indian Railway Company doing at the present moment in regard to. . . . .

Pandit Hirday Nath Kunzru (Agra Division: Non-Muhammadan Rural): It is a State-managed railway now!

Munshi Iswar Saran: Many unpleasant facts have been brought to my notice, as well as communicated to me, but I think I shall do well in not referring to them. I shall only ask the Honourable Sir George Rainy to see for himself whether there is any distinction made in respect of leave rules and the rules of promotion.

Then comes the old questions of accommodation and of medical relief which have been brought to the notice of the House and of the Railway Member, and I hope when some one gets up to reply on behalf of the Railway Board he will be able to tell us that that distinction has at any rate disappeared.

Sir, there is one other minor matter, for which of course I suppose the Railway Board cannot be held responsible, but it is a matter which I wish to bring to the notice of the Honourable Sir George Rainy in the hope that something will be done to remove a little irritation that we sometimes feel, and that is the question of platform tickets. It is a very very minor and small matter, but I know how it irritates us. An Indian goes to a railway station and the ticket collector, very rightly of course, asks, "Have you got a platform ticket?". But if the Indian has got European clothes on, the chances are fewer of this question being asked, but if an Anglo-Indian or European goes, then in nine cases out of ten he is not asked to produce a platform ticket. I know that the Railway Board have got nothing to do with it; this is a very small, very insignificant and very trivial matter; but these little things do give rise to irritation and produce a lot of unpleasantness. I would therefore ask my Honourable friend the Railway Member to give a little attention to it.

The question under discussion is so vast that if one desired to go into all the details, one would occupy the whole day and even then the catalogue of grievances would not be complete. Having regard to the time of the House that I would be justified in taking, I have made only a few brief remarks, which indicate our difficulties, in the hope that they will be speedily removed. I wish to assure the Honourable Member in charge and other Members of Government that it is not pleasant for us to be constantly harping on this question. But Government must bear the responsibility of these unfortunate discussions. If a man has a pain, he will continue to cry, unpleasant though it may be, as long as the pain lasts. There will be no necessity for this unpleasant debate if the causes are removed.

My friend Sir Hugh Cocke last year said, "Indianisation or no Indianisation, we want efficiency". This attitude gives rise to misunderstanding and trouble as it is based on a woeful disregard of our real position. I was very pleased to read the report of a speech or interview of the Honourable the Leader of the European Group, wherein he asked his countrymen to try and get underneath the skin of Indians and to see what they feel. If Sir Hugh Cocke had anticipated the spirit and attitude of my genial friend, the Leader of the Opposition, he would not have made this remark. Sir, we are more interested in India and its future than any Member of the European Group can ever pretend to be and we desire to increase our efficiency and will not and cannot allow it to be impaired in any way. But I say, do not in the name of efficiency for the sake of Heaven perpetrate an injustice. Give us a fair chance, give us opportunities for which we are clamouring, and at the same time see that efficiency does not suffer.

Now, Sir, what is the remedy for all these troubles? The remedy is that Sir George Rainy instead of being responsible to the Governor General in Council or to the Government in England, should be responsible to this House. If he is responsible to this House, this difficulty will vanish in no time. That is the real remedy. (*An Honourable Member*: "That is the only remedy".) Yes, I stand corrected, that is the only remedy. I hope we shall get that remedy soon. I do not make a secret of this fact that I feel,—and I am very sorry to say that,—that my protest and the protests of other speakers who will follow me may not produce the desired results; but, Sir, as the late Mr. Gokhale said in the present condition of India, we have to serve her not by our successes but by our failures.

Dr. B. S. Moonje (Nagpur Division: Non-Muhammadan): Sir, I have listened very carefully to the speech of my friend, Munshi Iswar Saran, and I agree with him to a very great extent. Perhaps there is a point in his speech wherein I may not agree with him. It may be due to the fact that I may not have fully comprehended his ideas or his object. The point that is under debate at the present moment relates to racial discrimination, and racial discrimination, so far as I have been able to understand it, relates to such discrimination between Indians on the one hand and non-Indians on the other. That is what I have understood by racial discrimination. If that is so, I have not been able to understand how he has complained against the monopoly which the Anglo-Indians are at present enjoying in the railway service. I cannot understand that, in the public administration of a country, there could ever be this distinction between Indians, Anglo-Indians, Hindus, Mussalmans and Sikhs. I have always

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understood that the administration stood for equal opportunities to all, whatever their caste or creed might be. If on the point of merit, the Anglo-Indians have got the monopoly, I have not the least grudge or grouse or complaint. The complaint comes in when that monopoly has not been based on merit ascertained through open competition. If an Anglo-Indian boy competes for a certain position, along with other Indian boys, and if he is found fit physically, educationally and morally, then I would be the first man to say that that boy must have precedence over others.

An Honourable Member: What about military services?

Dr. B. S. Moonje: This is not the occasion to discuss that subject.

An Honourable Member: You wanted the *baniyas* for the Army. Where were they in the Great War?

Dr. B. S. Moonje: Whether a *baniya* is a *baniya*, a non-military man so long as he is Hindu or he becomes a military man immediately he is converted to Islam and becomes a Mussalman, or whether he remains a *baniya*, even after he has been made a Mussalman is a thing on which I will say something at the proper time. This is not the occasion for it. What I complain of now is the system under which merit and open competition are not given precedence, and which is based on distinctions of caste, creed and colour. The British bureaucracy is now doing things as it likes, in spite of our pleadings and warnings, but it must understand that its time is up, that the time is coming when power will have to be transferred, and when we get self-government or Swaraj, there will be no such distinction of creed or colour in the matter of recruitment to the public services. Public Services form the very soul of Swaraj and I hate the idea of poisoning the soul with the virus of communalism. It is on the public services that good Government, peace and order are based, and I grieve most when that fountain of good Government, peace and order is being infected with the poison of cummunalism, such as Indians against Anglo-Indians, Hindus against Mussalmans, Sikhs and so on. It is this kind of communalism that I condemn most.

Mr. President: The Honourable Member must confine himself to racial discrimination.

Dr. B. S. Moonje: I want to explain what the Government have done.

Mr. President: Communalism has nothing to do with the question before us.

Dr. B. S. Moonje: I bow to your ruling. I would like to know from the Government Benches on what basis they give a monopoly to Anglo-Indians as against non-Anglo-Indians.

Mr. President: As the Honourable Member has himself pointed out, racial discrimination is between Indians and Europeans.

Dr. B. S. Moonje: I accept your ruling. I should like to know from the Government on what principle they have discriminated Anglo-Indians as against non-Anglo-Indians.

Mr. President: I would ask the Honourable Member not to open that question.

Dr. B. S. Moonje: There is another kind of discrimination. I may call it racial discrimination. I may call it discrimination which is not based upon any justice or equity. I will give an instance to make myself clear. There are Assistant Station Masters. They have to pass certain examinations. I am told, I am open to correction, that when the examination is held, an Anglo-Indian is set a less stiff examination and the Indian has to pass a stiffer examination.

Mr. President: I thought the Honourable Member did not make a discrimination between Anglo-Indians and other Indians. The question really, according to the Honourable Member himself, is that racial discrimination means discrimination between Indians on the one side and Europeans on the other.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): I raise a point of order. Do the Anglo-Indians admit or acknowledge that they are Europeans or that they are Indians? If they are Indians, then your ruling will hold good. In the other case . . .

Dr. B. S. Moonje: As this question of discrimination has cropped up, I will not qualify it as racial or communal. I would call it only discrimination. Now, is there such discrimination in the matter of railway recruitment?

Mr. President: The question we are discussing is racial discrimination.

Dr. B. S. Moonje: I would now deal with racial discrimination. Now, Sir, there are English boys who are residents in India. They are set the same examination along with Indians but the test is less stiff for them and stiffer for Indians excluding Anglo-Indians who are included in them. After passing the same examination, the English Assistant Station Master is given higher pay and the Indian Station Master is given less pay. Is that racial discrimination or not? If that is so, then I would insist upon the Government Benches explaining why this happens, and whether this kind of discrimination exists in the services or not. I appeal to the Government Benches to bring to an end this kind of discrimination as soon as possible, and if that is not going to be done, we shall give them no peace, nor shall we allow ourselves to have peace of mind. We are bent upon seeing that all kinds of discrimination, not based on merit and competency, as ascertained through open competitive examination, whether it is racial or otherwise, is removed from the services, and it is from this point of view that I support the motion.

Mr. Fazal Ibrahim Rahimtulla (Bombay Central Division: Muhammadan Rural): Sir, before I proceed to criticise the Honourable Member for Railways, I think it is necessary that the House should know the statement that the Railway Member made in connection with the Indianisation. In his speech on page 7, paragraph 19, under the head "Indianisation" he says:

"I should like to mention the special efforts which have been made to bring the Transportation (Power) and the Mechanical Engineering Branches into line with the Civil Engineering and Transportation (Traffic) and Commercial Branches in the matter of Indianisation. A scheme for the training of apprentices has been in force since 1926, but the period of training being six years, it could not provide fully qualified officers until the end of 1932."

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And the last sentence of this paragraph says:

"It is proposed to continue similar arrangements until 1933, when the scheme for the training of apprentices will bear fruit and provide the requisite number of Indians for these Departments."

Paragraph 20 runs thus:

"Under this head I must also refer to the elimination of racial discrimination, but I can only do so briefly. The whole question has been systematically considered, and we have now reached a stage when the material has been digested and consultation with the Central Advisory Council is likely to be both helpful and fruitful."

Sir, I can only say that this statement is not satisfactory, and also that it does not go far enough. I would therefore like to mention what we mean by Indianisation. We mean by Indianisation this, that every class of people that belongs to India or calls itself Indian should have an equal opportunity to serve in Government Departments, and the total amount of Indianisation should be 75 per cent., as stated by my friend Mr. Hayman. We want to lay great stress on the question of the gazetted officers. There are two definite issues before the House. The first is, when was the competitive examination system introduced? And the second is, why was it introduced? The impression that is created in the mind of the Indians here is that these competitive examinations are a sort of obstruction put in the way of the people who are qualified to get into Government service or the railway service. And, though my friends, Munshi Iswar Saran and Dr. Moonje, have criticised the preponderance of Anglo-Indians in the services, I think the point before the House is that what we mean by the term "Indianisation", is the equal distribution of services between all classes and communities. I particularly want to lay emphasis on this point, that racial discrimination not only between Indians and Europeans, but also between Hindus and Muhammadans should cease. That should be the objective.

Mr. President: Order, order. I cannot allow the Honourable Member to proceed in that strain.

Mr. Fazal Ibrahim Rahimtulla: I want to emphasise what I mean by Indianisation.

Mr. President: Indianisation is Indianisation.

Mr. Fazal Ibrahim Rahimtulla: Indianisation means the throwing open of equal opportunities to all Indians.

Mr. President: Order, order. That is a different issue altogether. It is a question between the Europeans and the Indians that we are discussing now.

Mr. Fazal Ibrahim Rahimtulla: Sir, the question is that Government must inform the House as to how many vacancies have occurred in the various Departments of the railways and also how many new appointments have been made by them to fill in the posts. After this information has been obtained, we would like to know how many posts have been filled by Indians, and how many by non-Indians. And I would also like to emphasise, in this connection, that in every case where the appointment has not been given to an Indian, Government must explain their reasons for doing so. If those statistics are provided to this House, I think it will

be satisfied, or at least will be able to find out, how far Government have carried out the intentions and wishes of this part of the House. This part of the House, Sir, is very keen that Indianisation should go on as rapidly as possible, and if Government find any difficulty to get suitable Indians, then efforts should be made by them, through the help of provincial committees of responsible men to bring in new recruitment. Sir, I do not believe, I must say at the outset, in any of these competitive examinations, because they are nothing but a farce, and generally lead to dissatisfaction. They are mere obstructions. Government therefore should lay down minimum qualifications necessary for particular appointments. They have suggested apprenticeship for seven years, which means that for seven years there will be no real Indianisation. Now, I think we have got enough qualified men in India who can be taken in the railway services, and, though it may look a little tiring to the Government Benches to hear a debate of this character, or it may appear that we are wasting the time of the House on this debate, I must say that this is the only place where we can make our voice felt and can also make the Government understand that they must now try their best to have Indianisation in the services, especially in the case of the gazetted officers, who are getting Rs. 250 and more. The figures, that were supplied by Mr. Hayman the other day regarding the Muslim representation, relate to a separate matter of Indianisation, and, though he told the House the other day that 75 per cent. of the services had been Indianised, I hope he will tell us today what percentage of the Indianisation has been enforced in the gazetted ranks. This is the most important point to which we would like to draw the attention of the Honourable the Railway Member, and I hope he will pay serious attention to it and meet the wishes of this House in such a way that there will not be any occasion to move a similar cut next year.

The Revd. J. C. Chatterjee (Nominated: Indian Christians): Sir, whatever I may say on this motion, I am extremely anxious not to say anything that would cause any bitterness between race and race. I am perfectly sensible of the statements that have been made by the Honourable the Railway Member and Mr. Hayman, that they are extremely desirous to remove, as far as they can, all traces of racial discrimination that exist in the railway services and in the matter of facilities that are given to the employees on the railways. I am not so pessimistic as my friend, Munshi Iswar Saran. I also realise that there are certain inequalities in the shape of concessions that have been enjoyed by a certain class of servants for a long time, and cannot in fairness be withdrawn at a moment's notice. I am also further prepared to admit that certain classes of His Majesty's subjects are, by reason of their upbringing or education or their physical fitness, particularly fitted for a certain kind of work in the public services of the country. But notwithstanding all that, my only desire is to call attention to one phase of the question. I would not describe it as an instance of racial discrimination, but rather of racial inequality that exists and seems to exist in a definite, distinctive and decided measure among the employees of the railways. I refer, Sir, to the inequality in the matter of educational facilities for the children of European employees as against those provided for children of Indian employees.

Now, Sir, reading from this book which is a report of the inquiry on the expenditure of railways on the education of the children of employees in the Railway Department, conducted by Mr. C. W. Jones and submitted

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to the Railway Board on the 31st October, 1927, we find that Government accepted the responsibility for the education of the children of European railway employees in the following terms. The Report says:

"The educational facilities provided by the railways seem to have had their origin in the necessity felt by the Railways, in the absence of other agencies, of providing some form of education for the children of imported European employees who, in the earliest days, formed a considerable proportion of the Railway Companies' employees and many of whom were stationed at places where no European schools were available. Almost every large railway settlement had its European school from the earliest times."

Now, Sir, the same Report goes on to justify the expenditure which the Government undertook to incur on the education of children of European employees by saying:

"Not only is expenditure in this matter required in the interests of the railway employees themselves, but the railways will be indirectly reimbursed by the greatly improved recruits they will be able to secure locally without indenting, as they now do, on England. It should be an object at these schools to bring up as many lads as possible for employment as guards, drivers, fitters, etc., and they should not be encouraged, as so many Indian school boys seem to wish to do, to qualify merely for clerkships and such like employments."

In this matter, the Government of India went further and in 1881 the Governor General, from the Home Department, issued a circular and laid it down:

"That the Governor General in Council desires that European schools may eventually be opened in every station where the average daily attendance of 12 children could be got together."

It was a good thing that the railways accepted responsibility for the children of their European employees. The Report also states that, after some time, they also accepted responsibility for the education of the children of Indian employees. The Report goes on to say:

"With the entrance of educated Indians in large numbers into the services of the railways, the railways seem to have been impressed with the desirability of providing educational facilities for the children of Indian employees in places where the local authorities do not provide schools of any description or in some cases where such authorities do provide schools which contain only primary schools."

I have shown, Sir, that the railways have accepted responsibility for the children of European employees as well as for those of their Indian employees. That is so far as it goes quite right and proper. Railways being great employers of labour, ought to set the example of how employers ought to treat their employees and the children of those employees, by providing amenities and facilities for their employees and for their children. Now, the main point is how have these responsibilities been discharged by the railways. I am quoting from the Report of the Inquiry, which was presented in October, 1927. In that Report we are told that the railways maintained 95 European schools. I want to lay special stress on this fact, that no less than 30 of these 95 schools have got only 20 pupils, or less, on their rolls. Then, again, 11 of these 95 schools have got only 10 pupils, and even less, on their rolls, and yet these schools are maintained at a large cost. Now, we find that the total employees who are classed as Europeans on the railways are 15,074.

Mr. K. C. Neogy: Does that include Anglo-Indians?

The Revd. J. C. Chatterjee: I am not going to separate Europeans and Anglo-Indians.

Mr. K. C. Neogy: But I want to know whether the figures you give include Anglo-Indians.

The Revd. J. C. Chatterjee: I think they include also Anglo-Indians, because, so far as I understand, railways class for this purpose Europeans and Anglo-Indians together. The cost of these 95 schools is no less than Rs. 7,60,009 a year, and in addition to this cost of Rs. seven lakhs sixty thousand odd, the railways also supply scholarships and other assistance in the form of free passes, and so on, to the children of European employees, and I hope to some extent to the children of Indian employees as well. I want to draw the particular attention of the Honourable the Railway Member, not to the fact that European employees have been given educational facilities,—for that is right and proper and may they long continue to have those facilities, for a better educated European is an asset to this country just as much as a better educated Indian is—I have no quarrel with that position, but what I want to point out is that the Indian employees and their children also deserve raising up in this matter. I submit that they also ought to have such facilities as are commensurate with their numbers, and to which they are entitled, because the railways have accepted responsibility for the education of the children of all their employees, whether they are Europeans or Indians. Now, Sir, the total number of employees on the railways is 693,986—there again I quote from the figures in the Jones Report—and if you take out 15,074 European employees from this number, the bulk still remains. This is for over six lakhs of employees, there are only 57 railway schools for Indians.

Colonel J. D. Crawford (Bengal: European): Would there not be ordinary schools available in those places?

The Revd. J. C. Chatterjee: We are also informed that four lines, the Bengal and North Western, the Great Indian Peninsula, the Rohilkund and Kumaon and the Eastern Bengal, do not provide any schools for their Indian children. The cost of these 57 schools for Indians is Rs. 2,95,000, whereas the cost of 95 European schools was over Rs. 7,60,000.

Then, there is another aspect that I want to draw attention to. Every European child in a railway school in the primary department costs as much as Rs. 115 per annum, whereas an Indian child in a similar primary school run by railways, costs only Rs. 19 per annum. If we compare the cost of education of each child in an Indian railway school, we find that, in a great many cases, the average cost is even less than the average cost of other civil schools in the same station, or in the same province, and who is here who can say that the average cost of an Indian pupil in an ordinary Indian school is at all large, or even say that they receive the best kind of education. We all know how poor the ordinary school is. That has been pointed out again and again in this very House. Well, Sir, my Honourable friend, Colonel Crawford, asked me whether there are no civil schools for Indian children in those railway centres. I quite see the force of that point. I see from this very Report that, in some of the schools for Indian children, which the railways maintain, the proportion of non-railway children in some cases is as large as one-third of the total. But my point is, are there not a large number of outside European children being educated in the railway schools which are maintained for European children of railway employees? But that is only one point. I want to

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point out that the Governor General in Council laid it down that, wherever 12 European children could be got together in a railway station or in a railway colony, there a school should be established. I am trying to plead for the Indian children whose parents are stationed, because of their service under the railways, in out of the way, lonely railway stations. I plead that there is hardly a railway station on a line—even a flag station—where the number of Indian children is less than 12. The number of subordinate employees or it may be the number of menials, as they are unfortunately designated, employed at railway stations—even though they are flag stations—must be larger and surely there would be more than 12 children in those stations, and in many cases the number runs into 50, 60, 100, or even more.

Lieut.-Colonel H. A. J. Gidney: Three children per employee is the usual calculation.

The Revd. J. C. Chatterjee: You can take it at that. There might be even four. I do not think there is any flag station where there are less than four employees. I am not so anxious about the children of employees in large stations because in those places you have the ordinary schools where they can send their children. It is the duty of the railways to assist those in need, and the great need lies in the case of thousands of children in little, lonely out of the way stations where they receive no education whatever. It has been repeatedly said that, whereas the railway employee in a small station, if he is a European—I am including Anglo-Indians also in the category and refer to them as Europeans generally—if he receives a scholarship, he sends his children to a boarding school at Mussoorie or elsewhere. He receives a liberal scholarship, which enables him to send his children to a boarding school. Now, is there a system where an Indian employee, living in these tiny little places, gets similar facilities? Is he able to get a scholarship to send his child to another place? It was said at first —I see in this very Report an argument—that Indians do not desire and do not care to send their children to boarding schools, and therefore the question of scholarships did not arise. I submit that that day has long passed and an Indian would now be willing to give education to his child even if he had to send him across the seas; and therefore that is a point to which I want to draw the attention of the Honourable the Railway Member, that he may be able to devise some means by which scholarships could be made available for these people to send their children away to boarding schools, or to places where schools do exist. And more than that I want to make one point as strong as I can, namely, that there is a need for the railways to provide primary schools in places where no schools exist, and there are hundreds and hundreds of such stations where no schools exist. I also want to point out that, in the case of the existing railway schools, it has been shown that they are no better than the other ordinary schools and in some cases they are much worse. The conditions of service there are worse: the salary of teachers is not higher but much lower, and there is not the same security of tenure as in other schools. As the railways have thought it necessary, and rightly thought it necessary,—I have no complaint against that policy,—to improve the conditions of employees, for instance in the Oakgrove School, or in other schools which they maintain for European children, I want them to do all that they can to improve the status, pay and salaries of their teachers in Indian schools, so that the

right kind of education may be given there. Then I also want to make it clear that whereas the railways justify their expenditure upon the education of the children of their European employees on the score that it makes them more efficient guards, more efficient Station Masters and more efficient railway servants, the same argument applies with equal force as a plea for their doing more for the education of the children of the Indian employees. There is no reason why these children should not make as efficient guards or Station Masters or whatever is required of them if proper education and training is given to them.

In conclusion, I will say only one thing. In his Budget speech, the Honourable the Railway Member laid great stress on this, that whereas the Budget in many respects was of rather a despondent character as it was a lean year, he said that the one bright spot,—he may not have used those words but that is how I interpret them,—the only bright spot was, that money was being provided to ameliorate the conditions of the subordinate staff, and he said that everything would be done to make their conditions brighter and more hopeful. Now, Sir, I ask, is there anything which they value more than educational facilities? People who are already in service may be labouring under certain handicaps; they may be inefficient in certain ways, but all our hope lies with the rising generation.

He has also laid great stress on the subject of Indianisation. He wants efficient Indians, and the best way to produce them is to provide good schools for the children of the Indian employees. I do hope that, in all the concessions that he desires to grant to the subordinate staff, and in all the prospects that he has held out to them, that one question of the education of their children and facilities for them will be put in the forefront, and that something will be done and done before long. This Report was submitted as late as 1927. I am told that the Central Advisory Council were to be taken into confidence in considering this Report. I have been a member of that Council, being a member of the Railway Finance Committee for the last year. I know of no proposal that has been brought before us for the education of children of railway employees, and I do not know what action Government have taken. So far we know no definite scheme, and certainly no definite action seems to have been taken. I urge, therefore, that this matter should be expedited and the hopes that have been raised may soon be fulfilled.

The Honourable Sir George Rainy: I should like to intervene in the debate at this stage, Mr. President, to deal specially with what fell from the last speaker on the subject of education, and I should like, if I may, at the outset, to express my appreciation of the admirable manner, if I may say so, in which he put forward his views. I propose to leave my Honourable friend, Mr. Hayman, to deal with the greater part of the remarks made by other speakers.

Now, as regards this question of the education of the children of railway employees, I should like to explain how the matter stands. A scheme was drawn up and it was provisionally approved by the Central Advisory Council, I think about a year ago. Then we consulted the Railway Administrations about certain details, and the matter was mentioned in the Central Advisory Council last September. At that time the Council appointed a sub-committee to examine the case further, and it was hoped that it would be possible to assemble the sub-committee to discuss the question

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before the Budget was introduced. It has not been possible, and I should like to explain exactly why. The scheme which has been drawn up provides that, in respect of all railway servants admitted to the service after the 1st February, 1929, there shall be no discrimination according to race, community or creed, and that if assistance is given to one class of employees, that will also be given in similar circumstances to others. That is the vital element in the scheme. At the same time it was thought right that the privileges, which existing employees enjoy under the rules at present in force, should not be withdrawn from them.

The second essential point in the scheme is this, that for the future, that is, in the case of those recruited after the 1st February, 1929, assistance should be given only when suitable education cannot be obtained at the place where the parents of the child are posted, and it is necessary to send the child away from home to be educated. A further limitation is imposed in the scheme, namely, that assistance should cease when each child has completed the middle course, and should not extend to high school education. I have given a considerable amount of time and thought to that question since the papers reached me from the Railway Board just five or six weeks ago. I know how deeply interested in it Members of this House are, and coming from a nation myself which has a certain reputation in educational matters, it is a question in which I take a personal interest. I could not satisfy myself that we ought to acquiesce finally in the position that the assistance is to stop with the termination of the middle course. The House will note that I do not contemplate going back on anything we have already agreed to. We will go on with the scheme as it stands at present. But I am anxious that the question of continuing assistance up to the high school course should be fully explored. I do not feel that I personally could acquiesce finally in discontinuing assistance after the termination of the middle course unless it could be demonstrated that the cost of granting assistance during the high school course also was prohibitive. I quite recognise, of course, that there are important financial considerations to be taken into account. It was because I was unable to place before the sub-committee or the Central Advisory Council any considered proposal for a modification of the scheme in respect of high school education that I did not summon a meeting of the sub-committee. Perhaps I was wrong. Perhaps I was too sanguine in thinking that it would be possible to work out a scheme. At any rate the scheme already approved by the Central Advisory Committee does, as I have said, provide for the grant of assistance to children of Indian employees during the primary and middle courses in all cases where the children cannot obtain suitable education at the place where their parents are posted and have to be sent away from home in order to obtain education. Whatever else may happen, that stands. I am afraid it will be necessary, before we can work out any scheme for extending to high school education, to try and ascertain what the number of children is at places where there is no high school within easy reach. It is obvious, I think, that it is likely to be much larger than the number of children whose parents are posted at places where there is no primary or middle school. That question, however, will be explored.

1 P.M.

Mr. K. C. Neogy: What about discrimination? May I know whether it is proposed to abolish the discrimination that obtains in regard to the rates of expenditure per head?

The Honourable Sir George Rainy: No, Sir. We do not propose to abolish it as regards employees who were already in our service on the 1st February, 1929. But we definitely issued orders last year that all employees recruited after the 1st February, 1929, are to be entitled only to such benefits as may be admissible under the new scheme and not in accordance with any rules or system previously in force.

The Revd. J. C. Chatterjee: May I ask the Honourable Member if he proposes either making an inquiry or taking steps to provide primary schools in small stations where no such primary schools exist?

The Honourable Sir George Rainy: That, Sir, is a very difficult question. I was impressed by the earnestness of my Honourable friend. What the Railway Board have felt is this. They do not consider that Railways are usually well organised for the management of schools, and they doubt whether railway officers are the most suitable persons to run schools. For this reason an essential part of the scheme provisionally approved by the Council is that we should try, as opportunity offers, to make over the schools already in our possession to be managed either by Local Governments or by local bodies, or by suitable private trusts or committees. I think that the Railway Board would be averse to undertaking a large increase of responsibility in the way of establishing new railway schools in large numbers. In certain cases, there may be special reasons for establishing railway schools. Let me take the case of the Bombay, Baroda and Central India Railway Workshops, which have been transferred to Dohad in Gujrat, or the new workshops of the South Indian Railway at Golden Rock in Trichinopoly. Where you have got a case like that, where a new railway colony is established, we cannot expect that Local Governments or local bodies will establish schools at once to meet the needs of the school children at such places, and the Railway may have to establish its own schools. But I should feel a good deal of difficulty myself about embarking on any large programme of railway schools scattered up and down the country. I feel that, for the present, I would rather concentrate on the system already adopted, and confine our assistance to helping the parents to get their children educated by sending them elsewhere. The only limitation I can think of is this. If it could be shown that you could do it more cheaply by having a school at a particular place instead of giving the grants to all the children to go elsewhere, that would be a fair case for consideration.

The only other point that I wish to mention before sitting down, Mr. President, is this. The Honourable the Mover of this motion said, if we were in earnest in removing racial discrimination, why do we consult the Central Advisory Council? May I inquire whether the Central Advisory Council is regarded as unnecessary in any case in which the Government of India are in earnest?

Munshi Iswar Saran: I did not say that.

The Honourable Sir George Rainy: What I particularly wish to do is to inform the Council fully of the action we have already taken, and in my reply in the general discussion of the last Budget I gave half a dozen instances in which we have already taken action. In addition to that, there are some other points which present difficulties, and it seemed to me that it was a fair thing to do, a proper thing to do, to put these difficulties before the Central Advisory Council and hear what they had to say. I think that completes what I can usefully say at this stage.

Lieut.-Colonel H. A. J. Gidney: Sir, it is often asked, what is there in a name? Others say, "a rose by any other name would smell as sweet". I have today been honoured with such a multitude of names that I really do not know what I am, but I do know the value of a name. First of all, I desire to thank the Honourable the Mover for the very very reasonable and moderate way, in which he referred in his speech to the community I have the honour to represent, though he made a pointed attack on it. Sir, as railway employment forms the chief source of existence for the Anglo-Indian community, I feel I am entitled, with your permission, to enter into this matter in some detail. I was not present last year when this discussion took place; but, I feel very fortunate in having the opportunity of listening to my Honourable friend, Munshi Iswar Saran. The speeches that have fallen from previous speakers have revealed a confusion of thoughts which never fails to manifest itself when the subject of racial discrimination or call it "Indianisation" is discussed. (Hear, hear.) Sir, I yield to no one in this House in my desire to effect Indianisation, compatible with efficiency, at the quickest possible moment. You may call it racial discrimination if you like,—to my mind these two terms are homologous. But, Sir, I decline to entertain the suggestion for one single moment, that the plea of Indianisation can be in any way whatever connected with the charges of racial discrimination—in favour of Anglo-Indians,—charges which resolve themselves in the last analysis into nothing more than a covert attack on the established tradition which the Anglo-Indian community occupies on railways. Now, Sir, as you rightly pointed out, racial discrimination as referred to by the present motion can only be practised where many races are concerned. I should like to hear from my Honourable friend, Munshi Iswar Saran, how many races there are in India, and how many races are represented on the Indian Railways. I thought my Honourable friend was a Nationalist—

Munshi Iswar Saran: You are right.

Lieut.-Colonel H. A. J. Gidney: And I thought that, as a Nationalist, he always looked at a question of this character from a nationalistic point of view and not from a racial or communal angle, yet, I have had the misfortune to listen today, to what I would not but call (though moderately worded) a diatribe against the Anglo-Indian community employed on railways, a community which possesses only 14,000 jobs out of almost a million—a fraction only. Sir, as I listened to him I wondered, whether he was serious or whether he was pulling my leg. But I seemed to discern in what he said that the fly in his mental ointment was a tiny little yet very important community called Anglo-Indians.

Mr. President: I have so far restricted Honourable Members to the European community in this discussion, but if the Honourable Member wishes to drag in the Anglo-Indian community, it will open up a very wide field.

Lieut.-Colonel H. A. J. Gidney: Thank you, Sir. I have no desire to open up a wide field of discussion. I am only dealing with the points my Honourable friend the Mover made in his speech with reference to my community and which you allowed.

Mr. President: The Honourable Member must take the risk.

Lieut.-Colonel H. A. J. Gidney: Very well, Sir, I am not afraid of the opposite Benches or to take risks. To prove any racial discrimination you must bring facts and figures in support of it. Generalisations are useless, for they always react on the speaker, as my Honourable friend Mr. Kelkar realised the other day, and I am afraid the Mover's speech lost much of its weight because it was devoid of any facts or figures. Fortunately, Sir, I possess a large number of official facts and figures, which I have carefully collected, to show that, as far as the community which I represent is concerned, any discrimination that exists, places me in the position of a plaintiff rather than that of a defendant as the Mover has indicated. I ask Honourable Members of this House to refer to the Pink Books that were supplied to us the other day, and to devote their attention—because it wants serious attention—to the last four or five years' figures, 1926 to 1929. I am talking about State Railways in particular, but my figures include all first class railways. Now, Sir, it will be found, by reference to those books, that Government have divided railway employees into two categories or into two races, and these are the only two races between whom there can be any real racial discrimination, the two races being Europeans and Indians, who are generally called Statutory Natives, which is sub-divided into Hindus, Mussalmans, Anglo-Indians and other classes. (*Munshi Iswar Saran*: "Not Statutory Natives, but Statutory Indians.") These are the two categories. Now, Sir, I want this House to take particular notice of the category in which the Anglo-Indian community is included. It is included along with Hindus, Mussalmans and the other classes as Statutory Indians. (*An Honourable Member*: "You go to European schools.") Yes and you go to Moslem schools. Now, Sir, a perusal of the figures that I shall presently quote will give rather astounding results. In the year 1925-26 there were 721,242 total employees on the railways, and in the year 1928-29 there were 773,888, a difference of 52,646. Now let us see who these new employees are. We find—I want my Moslem friends to listen—of these 52,646, there were 31,290 Hindus or 59 per cent. of the total, 9,691 or 18·4 per cent. were Muhammadans, and 11,143 or 21 per cent. belonged to other classes. (*An Honourable Member*: "What about you?") There were only 672 Anglo-Indians recruited or 1·28 per cent. of the total. And this notwithstanding the fact that during this period 2,500 miles of railway were added and an equal number of miles are under construction and traffic returns had increased by 70 per cent. The figures for 1927-28 and for 1928-29 further show that there has been a decrease of 14 Anglo-Indians as against 5,501 new Indian employees. Indeed, the total figures for 1928-29 show that there was only one additional Anglo-Indian employed during the whole year.

I see some Honourable Members are smiling; no doubt they will say that such general figures are of no use at all. Now, Sir, these figures are of use because, in general terms, they show that there is no racial discrimination though there is a marked reduction in the Anglo-Indians. These figures include all grades of employees, from the menial to the highest official. But taking them as a whole, I challenge my Honourable friend, the Mover, to prove that there is even a vestige of racial discrimination. In fact, Sir, the figures that I have just quoted prove quite the reverse. Surely

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neither he nor any of my Honourable friends on the opposite side—I know I have very many friends on the opposite side, except when railway matters are discussed in this House—do not deny these 14,000 appointments that are held by the tiny Anglo-Indian community on the railways or the 672 new appointments out of 52,646 recruited within five years, surely none of you want to deny this to my community, and which you have tried to exclude . . . . .

Mr. President: I have tried my best to save the Honourable Member, but if he is subsequently attacked by other Honourable Members, he will have to thank himself for it.

Sir Purshotamdas Thakurdas: The Honourable Member is misleading himself, Sir, by quoting these figures.

The Honourable Sir George Rainy: I wish to submit just this point, Sir. Perhaps other Honourable Members who were called to order at an earlier stage might have some sense of grievance if the subsequent debate were allowed to take a wider latitude in its course.

Mr. President: I entirely agree with the Honourable Member. But if the Honourable Member himself does not take the hint, the Chair will not give him any protection when he is attacked.

Lieut.-Colonel H. A. J. Gidney: I ask for no protection. I do not fear the opposite Benches—I am prepared to attack and to be attacked and to defend myself, but I am not prepared . . . . .

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Are you an Indian or not?

Lieut.-Colonel H. A. J. Gidney: I now want to show to Honourable Members what these 14,000 Anglo-Indians' appointments consist of and to do so I must divide these 14,000 appointments into (*a*) those lower subordinates receiving salaries from Rs. 25 to Rs. 250 per month, (*b*), those in receipt of salaries above Rs. 250, and (*c*), officials. Such division will give you a correct idea of the actual appointments held by Anglo-Indians. This will give you a real idea as to how many appointments you are attacking and how many you envy. Out of these 14,000, there were in the year 1929, 10,262 jobs occupied by the community carrying salaries less than Rs. 250 per month. There are 3,800 upper subordinates' jobs carrying salaries over Rs. 250 per month, and there are some 168 or 169 jobs as officials. Now, Sir, it is these 3,800 upper subordinate jobs which are the storm centre of the Mover's criticism. There are 3,800 Anglo-Indians today as against . . . . .

Mr. President: The Honourable Member is answering a charge that I have never allowed other Honourable Members to make.

Lieut.-Colonel H. A. J. Gidney: But, Sir, if the appointments held by the Anglo-Indian community are to be attacked by the Honourable the Mover, I want to attack him back. I am not afraid of him, and I want to come to grips with him.

Mr. President: Very well.

Lieut.-Colonel H. A. J. Gidney: I want to attack and to challenge the Honourable the Mover's charge of racial discrimination and his remarks against my community.

Dr. B. S. Moonje: We wish, Sir, we had been given that opportunity.

Lieut.-Colonel H. A. J. Gidney: What I mean is this: these 3,800 upper subordinate appointments should be added to the similar appointments held by Indians; and why? Because we are Indians; we are classified as Indians in official records, we have admitted ourselves as an Indian community and the Statute, Victoria XXXIII, gives us our status as Statutory Indians . . . . .

An Honourable Member: What about the schools? Why do you go to European schools?

Lieut.-Colonel H. A. J. Gidney: For the same cultural reasons as you go to Indian Schools—but you can go to European Schools if you like.

Maulvi Muhammad Yakub: If you are an Indian, why do you belong to the European Group in the Assembly?

Lieut.-Colonel H. A. J. Gidney: For the same reasons as you belong to the Muslim groups. Therefore, Sir, the contest is between Indians and Europeans and this is the only racial discrimination that can exist. There can be absolutely no racial discrimination between Anglo-Indians and Indians, because Anglo-Indians are an Indian community, the same as the Hindu, the same as the Muslim, etc. After this classification by Government, by Parliamentary Statute and by the community's own acceptance, why do you ask me if I am an Indian? That question was settled in 1870 when Act XXXIII was passed—years before I was born—and it stands good and is legal and occupational tender whether you or I want it or not.

An Honourable Member: Why do you sit on those Benches then?

Lieut.-Colonel H. A. J. Gidney: That is my business, just as it is your business to sit on your particular benches. With the position of the Anglo-Indian community clarified, how can the Honourable the Mover say that there is racial discrimination between me and him? Therefore even in the lower and upper subordinate ranks, Indians preponderate by more than 75 per cent. because in 1929 together we hold 6,890 out of 8,941 upper subordinate jobs. The Honourable Member has already been told that, the official grades, nearly 75 per cent., are Indians; *i.e.*, the high water mark has almost been reached. This being so, Sir, how can the Mover now state that there is racial discrimination? He would certainly be right if he said there was communal discrimination. The whole trouble lies in the Government responding to appeals from the opposite Benches, in the shape of questions, Resolutions and such motions, calling upon Government to answer how many Europeans, how many Indians and how many Anglo-Indians are employed in a particular service. The fault does not lie with the community which I represent, because the Government, in their replies, forget the undeniable and legal fact that Anglo-Indians and for that matter, Sir, even pure-blooded Englishmen, permanently resident in this country, are Statutory Indians, the same as Hindus, Muslims, etc., (Hear, hear), and I stand here and state that I am proud to be recognised as belonging to an Indian community. (*Mr.*

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K. C. Neogy: "Oh!") You can say "Oh" if you like, Mr. Neogy. In fact I do not care what you say on this matter, for neither you nor any one of the opposite Benches can deprive me of this right.

Mr. President: Order, order.

Lieut.-Colonel H. A. J. Gidney: I am sorry, Sir; but when the Honourable Member wants to interrupt me, I think he ought to stand up in his seat. Anyhow I desire to add that it matters not whether the Anglo-Indian community say they are Europeans or Indians. You Indian-Indians have decided to refuse to accept them as such: He is by statute and by every law an Indian community and he is advised by Government to accept this status, yet you reject him and say he is not an Indian nor is he a European—but let me tell you—you won't deprive me of my jobs for this reason.

An Honourable Member: Do not claim better rights than the ordinary Indian.

Lieut.-Colonel H. A. J. Gidney: That is a right I have never claimed, though I have more claims to such rights than you.

Mr. N. C. Kelkar (Bombay Central Division: Non-Muhammadan Rural): May I ask the Honourable Member one question? I say that, notwithstanding the definition of Anglo-Indian as a statutory Indian, Government themselves make a distinction between Anglo-Indians and Indians. Are you aware of that?

Lieut.-Colonel H. A. J. Gidney: Sir, I am not here to answer for Government's action or the distinctions they make; I am here to state . . . . .

Mr. N. C. Kelkar: But if they do make that distinction, are you prepared to take cognisance of it?

Lieut.-Colonel H. A. J. Gidney: I take what is given to me and more if offered; so would you if given the opportunity.

An Honourable Member: You take more than you should.

Lieut.-Colonel H. A. J. Gidney: Certainly, I'd take more if I could get it. Sir, I want clearly to define our position on the railways. It is not the fault of the Anglo-Indian community that you object to it being classed as Indians; it is the fault of my friends on the opposite benches in their envy of my position. I realise the fact that India is changing and I want you to realise that the policy of the Anglo-Indian community has also changed—the unfortunate thing is that to suit your own purposes you refuse to realise it. According to the 1870 Parliamentary Statute, I am an Indian and my Honourable friends opposite know it; but if they want to twit the community on the matter, this racial or communal discrimination degenerates into a farce. Do not twit the Anglo-Indian with not being an Indian when you will not accept him as such. A concerted attack was made on the community last year by my friends on the opposite side; unfortunately I was not here then; but I am here now to fight it. I am, however, glad to see that the Honourable the Mover has not done so in his speech and I much appreciate it; but I do repudiate that any

racial distinction exists in the railways today in the sense that the Honourable the Mover has tried to prove; and I would ask Government in future, when replying to questions, not to encourage the opposite side on this question of racial discrimination. (Hear, hear.) The Legislative Assembly Debates are full of questions, "How many Hindus, Muslims, Anglo-Indians and Europeans are there in various services?" and the Government in their replies place Europeans and Anglo-Indians apart to other communities. (Laughter.) You are apparently dissatisfied, and are hungry to secure these four thousand upper subordinate jobs which we hold today after long and continuous service (*An Honourable Member*: "Prescription?") amounting to nearly 70 years, during which period we have helped the Railway Administration of this country and made the railways what they are today. The Anglo-Indian community has gone unrecognised for the great services it has rendered to the railway administration of this country. I call upon the Government to deny whether it would have been possible for the railway administration of this country to have run, especially during the many recent crises, I mean the strikes, without the loyal and patriotic work of its Anglo-Indian employees? That is an undeniable fact, Sir. You on the opposite Benches can say what you like, but the fact remains that you envy these 4,000 upper subordinate jobs which we have gained by long, faithful and loyal service to our railways and our Government. One of the Members now, in the year 1930, asks the Anglo-Indian community on the railways to make up its mind and to determine on their loyalty their aims and objects? To whom? Our loyalty, Sir, has been determined years ago. It has never faltered—may be to our loss—but our loyalty is to the British Raj; and our loyalty has always been on the side of law and order and to the railways we serve.

Maulvi Muhammad Yakub: Is he talking relevant to the motion, Sir?

Lieut.-Colonel H. A. J. Gidney: As I say, Sir, these 4,000 jobs are the storm centre of the opposition on that side, but they may take consolation in the fact that more than fifty per cent. of the Anglo-Indians in these jobs today are men over forty years of age; this will give you some indication of how many years' service they have rendered before they got these jobs. In another ten years at least half of these men will have been superannuated and that will be your time for Indianisation of these jobs, and your desire will be satisfied. In the last five years Indians were given 852 upper subordinate jobs, while Europeans were decreased by 75, and Anglo-Indians by 9. Is this not 75 per cent. Indianisation since railways came under State control? Again in the official grade, during the past five years, Indians secured 148 appointments, Europeans lost 27 and Anglo-Indians gained 17 only.

Now, Sir, I submit, it is up to the Government to boldly state on the floor of this House whether it is their intention to respond to this clamour of the Opposition Benches by taking away these jobs we occupy today by virtue of our long and continuous service. Surely my friends on the other side are not so envious of these 4,000 jobs as to dispossess us of them? Surely you can allow us to be superannuated after we finish our term of service and then get into our shoes. Surely you do not want to drive us out when for years yourselves merely sat down and refused to enter railway service and only did so after we had made it more attractive for you? (*A Voice*: "Really?") Yes "really," only the illiterate and partially educated Indian went into railway service about 15 years ago, but now more educated

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Indians are coming in and, though I admit you have got every right to get your rightful share, for God's sake do not try to step into the shoes of these four thousand before their time is up; men who have done well by the country and who have served the Government and railway for nearly 70 years.

Now, Sir, I call upon Government to state in unequivocal terms that it is not their policy in any way to bargain with any party in this House, be it Hindu or Muslim (*An Honourable Member*: "Or Anglo-Indian"), in their clamours to dispossess us of these jobs. Mr. Hayman stated yesterday in very clear terms that Government were not going to deprive any community of their present jobs. But since then we have had forceful appeal from my Muslim friends to recognise their claim for a higher percentage of appointments. I remember the time, Sir, two years ago when I pointed out to my Muslim friends the paucity of appointments they held on railways and I think my friends Mr. Abdul Matin Chaudhury and Mr. Ghuznavi will remember how I urged on them to make their demand. I am delighted to see today they are demanding a proper share of appointments in the railway services. I sympathise with them in their just claims and I am prepared wholeheartedly to support them.

Having disposed of alleged racial discrimination, Sir, I will now deal with those instances where true racial distinctions exist.

Mr. President: Order, order. Does it mean that the Honourable Member was irrelevant so long?

Lieut.-Colonel H. A. J. Gidney: No, Sir.

Mr. President: He says he will come to racial distinctions now?

Lieut.-Colonel H. A. J. Gidney: No, Sir. I am now, referring to genuine racial discrimination as between Europeans and Indians in certain matters. I have explained the position of my community . . . . . .

Mr. President: Order, order. Considering that the Honourable Member was in the minority of one, I tried my best to save the Honourable Member's community from attack; but he has not taken the hint from the Chair.

The Assembly then adjourned for Lunch till a Quarter to Three of the Clock.

The Assembly re-assembled after Lunch at a Quarter to Three of the Clock, Mr. President in the Chair.

Lieut.-Colonel H. A. J. Gidney: Sir, having shown that racial discrimination cannot and does not exist between Indians and Anglo-Indians, and that none exists between Europeans and Indians as far as the percentage of railway employment is concerned, I shall now refer to the subject of covenanting employees to the railways from Europe, as this is a matter in which there is real racial discrimination. Formerly the practice of covenanting railway servants was largely resorted to, but as time went on, these covenanted employees were replaced by recruitment in India.

My complaint is that, though our railway workshops have been in existence for 30 to 50 years, covenanting of employees in the disguise of skilled workmen still continues, and under the excuse that skilled workmen cannot be obtained in this country. I had a recent communication from the Railway Board, which states that, during the last three years, 101 employees were covenanted from England to State and Company railways. I refer to subordinate employees, mainly in connection with the workshops, and from the statistics of various railways I have been able to extract a table of figures. I have before me the figures of nine of the largest railways in India. There is a total of 294 Foremen in these nine railways. Of these, 197 are Europeans, and of the balance, 95 are Indians. If you were to add to these European Foremen, those who claim a non-Asiatic domicile, you would get a total of about 215 European Foremen, as against 79 Indians, *i.e.*, about 66 per cent. are Europeans. I should like to add that the Indian Foremen are mainly composed of men employed in two or three of the largest railway workshops. I take as my illustration the most modern railway workshop in India today, the one at Golden Rock. Now, in the Golden Rock Workshops, there are 12 European Covenanted Foremen and 22 Indian Foremen, and on this Railway—the South Indian, there are only two European Loco. Foremen as against 11 Indians. Compare this with what obtains in other railways where there is 80 per cent. of covenanted imported men, as against 20 per cent. of those recruited locally. This recruitment of covenanted men today is supposed to be due to want of properly trained men in this country. As I said, our railway workshops have been in operation for over half a century in the case of some railways and yet we are told that we cannot produce skilled workmen to undertake these jobs. These workshops are maintained at an enormous expenditure. Trained Works' Managers and trained specialists, skilled mechanics and Foremen have been brought out from Europe on large salaries, and in the year 1930 we are told that we are still wanting in knowledge and are unable to provide our own needs, although there are many engineering firms in this country that are able to produce skilled Indian workmen who can turn out work of as good quality. Recently, the North Western Railway with a knavishness native to that railway, asked the Railway Board to covenant 12 Chargemen from Europe, as if we could not produce Chargemen in our railways in India. Mr. Hayman, the Labour Member in charge, rightly objected to this. He asked the Agent to recruit these men locally, and the Agent replied that he was unable to get any suitable Chargeman from the workshops. Yet we have these 11 first class railway workshops annually turning out skilled Indian Chargemen by the hundred, indeed there are 392 Indian Chargemen in these eleven workshops today, and in the South Indian Railway Workshops alone over 50 per cent. of the Foremen are Indians. Still this Agent writes to the Railway Board that he can not get these Chargemen locally and urges on the Railway Board to recruit them from England. Surely 12 Chargemen were procurable from the State Railways. The Labour Member, be it said to his credit, refused to comply, and asked the Agent to recruit his men locally. Finally the Railway Board agreed to four Chargemen being recruited from England.

Now, what happens when these covenanted men arrive from England? They are insinuated into a cadred service, they are entertained on a higher initial salary and for this reason they are put on the top of the list over

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the heads of every one of the other Chargemen; in other words these men of 25 and 30 years of age become senior to experienced men of 40 and 45, who are waiting for promotion, and so block the promotion of all those who are senior to them in service. I consider this to be unjust and fundamentally wrong. This is what I call genuine racial discrimination, and a very glaring type. It affects nearly 600 to 700 locally recruited skilled workmen—Foremen, Assistant Foremen and Chargemen in our railway workshops. Now, let us see what happens in the case of covenanted railway officials. When a young European official comes out, he is not placed in a cadred service above locally recruited officials. He takes his place along with others—Indians—according to the date of his enlistment. He moreover gets his basic pay, the equivalent of locally recruited officials, but to that is added his overseas Lee Commission allowance. He therefore receives a higher salary, but he is not for this reason placed in the cadre above those recruited locally. But in the case of a young Chargeman who comes out to this country, he is supposed to be a more skilled and experienced mechanic. I ask, what skill could he have attained at the age of 25? He is brought out as a specialist in some piece of modern machinery. Now, I submit, with the rapid changes in mechanical devices, that any new machinery of today is old machinery tomorrow. These men are therefore specialists for a very brief period, but they are permanently engaged and in time they are mainly used as supervisors or Sergeant Majors looking after the discipline of the workshops, and they not only start on a higher initial salary, but receive other advantages, such as passages to England, etc., which are denied to Indians, but the gravest injustice is that they are placed in a cadred service above the heads of senior and more experienced and higher trained technical men recruited in India. Furthermore, that Chargeman by virtue of his being brought out to India on a higher salary, gets the first vacancy as an Assistant Foreman, although there are hundreds of better and senior men waiting for promotion. For that reason he has prior promotion as a Foreman and ultimately becomes an official. I submit that that is absolutely wrong.

I want the Government Benches to state what their future policy is going to be in this matter. I know that the covenanting of these men has been considerably reduced during the last few years. We have no objection whatever to the covenanting of these workmen from England, but what I do object to is this, that they should be placed above all locally recruited men on the top of the cadre and given priority and all these privileges over locally recruited men. We welcome them as workmen and as comrades, but when they come to this country to work in a workshop they must be given their position in the cadre according to the date of recruitment and not initial salary. They should be given the same basic pay as we receive, but they can be given an overseas allowance as is given to officials and in that way may be allowed to make up any deficiency of their present pay. But to put them in a position prejudicial to the other workmen is, I consider, unwarranted and unjust racial discrimination, and I call upon the Railway Board to take the earliest opportunity to discontinue it. It cannot be denied that Indian railway workshops are quite capable of providing all their skilled workmen. Of course, I can well imagine most of the Railway Agents denying this fact, and from what

I have recently witnessed I do sincerely sympathise with the Honourable Member in the possession of some of the Railway Agents that he has today working the railways. But apart from this I want to know the reason why the Government of India should continue to allow Railway Agents to covenant at the rate of about 40 men annually, especially when I confront them with what the expert engineering officer of the Railway Board, a man who has made himself famous in the production of railway workshops—I mean Mr. Wrench, has said in a recent contribution from him to the London *Times*, dated 18th January, 1930. This is what he says:

"India can now claim that so far as the railway workshops are concerned she has little to learn from the rest of the world."

Now, Sir, I would ask the Railway Board, in the face of such an admission, if the importation to India of covenanted workmen can be justified any longer on the plea of superior training or on the plea that, because a man comes from England, he must *ipso facto* be superior to men trained in Indian workshops, that have nothing to learn from the rest of the world.

I now come to my next point, Sir, another case of genuine, not alleged racial discrimination. Perhaps Members of this House are familiar with a system of confidential reports that is practised on railways. Certain railways do not practise it, but you may take it from me that in most State Railways these confidential reports are of a demi-official nature in which records are kept on the file right up to the end of a man's service. In other words, this poor subordinate's future and promotion are ruined, *i.e.*, he is stabbed in the back by such reports and does not get a chance to defend himself. The Railway Board issued a circular in July, 1929, to all Agents, instructing them, in regard to confidential reports on officials. Thus, they have brought into practice a procedure which is in operation for all Government servants, officials and subordinates, especially in the Army. Under that system, any adverse remarks made against an officer, are communicated to the officer concerned and he is given the option of defending himself. The Railway Board has very rightly introduced that system so far as their officials were concerned, but no such system has been introduced regarding subordinate officers recruited in this country. I consider that this is not right and should be remedied. In my opinion, every man, official or subordinate, who is adversely reported on should be given an opportunity of defending himself and should not be attacked in the dark and carry that stigma throughout his service to his prejudice and detriment. I submit that demi-official correspondence should be stopped.

My next point is one of very marked racial discrimination between Europeans and Indians—based on domicile. It has been generally admitted, and the newspaper reports have broadcasted the complaint that the medical administration of the railways in India is sadly

3 P.M. deficient. I would qualify that criticism by adding that the *raison d'etre* of that deficiency or inadequacy is the want of money. And when you have no funds, you cannot make progress at the rate at which you want to. Notwithstanding that extenuation, there is no doubt that the medical administration of Indian Railways is really at a very low level, both from the quantitative and qualitative points of view. The result is that railway workmen in India have great trouble in obtaining

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medical relief, because of the pressure that is brought to bear on medical officers by District Officers of the railways. There are many instances when skilled medical or surgical aid is necessary, but in all such cases Indian workmen have to pay from their own pockets. Let me illustrate my point. If a man suffers from an infectious disease, he is taken to a civil hospital and he has to pay all the expenses of his stay there, which sometimes come to Rs. 20 or Rs. 30 a day. It is true this money is returned to him after a few months when the railway authorities have satisfied themselves. In the meantime, the employee is driven to the money-lender and contracts a debt. This is a small matter compared with what I shall now refer to.

There is a circular which has been in operation for years in all railways regarding medical relief for officials with a non-Asiatic domicile as against those with an Asiatic domicile. This I look upon as not only racial but unjust discrimination. All officials who can claim a non-Asiatic domicile are entitled by this order to free medical and surgical attendance including skilled nursing not only in their railway hospitals, but also in civil hospitals. They are entitled to the services of specialists, surgeons, physicians and nurses and even special medicines when necessary. They have to pay for their food only. In short, no matter what happens to this official, he is entitled to all these privileges simply because he is born in England and not in this country. The Railway pays for all such expenses. But an official born in this country of Asiatic domicile is denied all these privileges and the order says that when such medical aid is necessary, he has to pay for everything. I can understand racial discrimination in the case of active workmen, but when it is practised among officials who do equal duties and bear equal responsibilities and who are exposed to the same diseases, I must confess I am lost in amazement to justify this marked racial discrimination. This House should not tolerate such treatment and it should insist that such difference be stopped at once. It is a thing that is not fair either to the workman or to the administration, and would not be tolerated in any other civilised Government.

Mr. President: The Honourable Member will now conclude his observations.

Lieut.-Colonel H. A. J. Gidney: I will take only five or ten minutes more, Sir. There is another important racial matter, which concerns recruitment in this country. Honourable Members must be aware of the fact that there are, practically speaking, two classes of officials engaged on railways. One class of official is imported from England, and the other class is recruited in India. I am not referring for my purpose to Indian officials permanently recruited in India, my criticism refers only to subordinates officiating as officials. I will take one railway to illustrate my point, namely, the East Indian Railway. On that Railway I believe there are to-day over 50 subordinates who are officiating as officers. Now, Sir, when a subordinate—say a Station Master is promoted to officiate as an official on the junior scale—he is given his own grade pay of Rs. 300 or so, *plus* an extra monthly allowance of Rs. 10, which I would call *bakhshish*. He therefore starts as an acting railway official on Rs. 310 with an annual increment of Rs. 20. The official whose duty he is performing is on the grade pay of Rs. 300—50—900 per month. This sort of racial difference

should not be tolerated by this House. In my opinion equal duties with equal responsibilities, should be the rule, and whether the employee be black, brown or white, he should be given equal remuneration and status. Evidently the Railway Board do not think so. They utilise these skilled and experienced upper-subordinates as their hewers of wood and drawers of water. While occupying these responsible posts, these subordinates are expected to maintain an adequate social position and carry out these responsible duties, and yet they are paid an extra Rs. 10 on starting, with Rs. 20 increase per annum. I have previously brought up this matter in this House and I received assurances from Mr. Parsons last year that it would be remedied. I now once more appeal to the Honourable the Labour Member on the Railway Board not to delay any longer. I call this practice dishonest economy, because you are making use of a class of subordinates as officials not only at one-third the wages, but as a leave reserve to your permanent officials. You are estimating a class of subordinate officials on a mere pittance of Rs. 10 extra. Surely you cannot call this honest economy?

Two more points, Sir, and I have finished. One point refers to racial discrimination in a particular service, I refer to the Signal Engineering service. Sir, officers recruited into this service from India are called "Probationers" and those recruited from England are either "on probation" or "short time covenant". All are generally recruited to the junior scale. Those locally recruited are invariably started on Rs. 300 per month while those recruited from England are started on higher salaries ranging from Rs. 435 to Rs. 1,000 per month. Now, Sir, the point is this, a junior scale officer has to put in 16 years of service to reach the senior scale, the pay of the junior scale man recruited in India being Rs. 300. In reply to a question I asked the Honourable Member on this very point last year, he said there were no officers at present who were placed in higher positions than the dates of their entry into service justified. I refer here to those imported from England. I also asked the Government of India whether it was not a fact that officers who were recruited from England were engaged on a higher pay, and they therefore reach their maximum much sooner than they would if they had been started on the lower scale of pay, and who by virtue of their higher initial salary would supersede those officers recruited in India but senior to them in service. It is therefore apparent that those who are recruited from England have thus a great advantage over those recruited in India and the latter, for no fault of their own have to suffer. I should like the Honourable Member to look into this and remedy this injustice, otherwise the chances of promotion and the future of those Indian recruited officers who are now in this Department will be seriously affected. The Honourable Member also stated, in reply to the same question, that the initial salary of an officer was fixed according to age and qualifications. This is the sort of loophole possessed by those in whose hands the power of making such appointments lies. The Honourable Member may take it from me that, out of six men who were recruited from England and who would affect the promotion of those locally recruited, none of them possesses a degree in Signal Engineering and some of them were previously employed as subordinates in English railways and yet they have been brought out as high officials and supersede Indian recruited men. Two of them are younger than all the locally recruited men and most of them do not possess qualifications, equal or better than the locally recruited men. How can the

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Railway Board justify such recruitment, which is unfair to its locally recruited officers? Why should such imported officers be placed, simply on account of a higher initial salary, in a cadred service above locally recruited senior men? This is racial discrimination with a vengeance, and in my opinion should be stopped forthwith.

Before I sit down, Sir, I want to ask the Honourable Member, when he is deciding on a policy of standardisation of wages in the various communities—I am now referring to those recruited in England as against those recruited in this country—to see that the standardisation is not done with reference to the domicile of the employee, but purely on merits. In standardising and any reduction in wages of those recruited in India, I wish the Honourable Member to give to this House an assurance that he will take into serious consideration the minimum living wage of the particular community and assess the wages accordingly. All I ask is for a living wage compatible with one's standard of living—not an existence wage. I ask the Honourable the Railway Member to give this House a clear pronouncement on this matter.

Pandit Hirday Nath Kunzru: Sir, the subject of racial discrimination has been before the House ever since 1925. The Railway Board wrote to the various Railway Administrations in that year and informed them of the views expressed in this House regarding the treatment of Indians in matters of employment, etc. But it is strange that the Board called for no report from the Railway Administrations. Perhaps they have complete confidence in the railway managements. Perhaps they do not attach too much value to the opinions expressed in this House. But if the Railway Board had taken the trouble of circularising the company-managed railways on the subject of Indian employment, I think it was up to them to inquire to what extent these managements proposed to give effect to the policy recommended by the Railway Board. If they had done so, the question might have been solved earlier. It was only two years later, Sir, that the Railway Administrations were asked to submit their report. Very nearly all of them stated that they well knew what the wishes of the Railway Board were and that they were trying to act up to them. Not one of them, so far as I remember, admitted that there was racial discrimination in connection with the employment of Indians. A year later, after the debate that took place in this House, the various Administrations were circularised again. Some of them found, strange to say, that there were some matters in regard to which objection could be legitimately taken, but these were all of a minor character. On the whole the replies received last year are of the same kind as those received earlier. I do not know whether the Honourable the Railway Member has any papers in his possession on this subject which have not been placed in the Council Library. But if the papers placed in the Library are all that he has in his possession, I must say that the memoranda that we have received are not worth the paper on which they are written.

In 1928, when the question of racial discrimination was brought prominently to the notice of the Railway Member, various points were raised showing how Indians were discriminated against. Besides, general figures were given to show what were the proportion of Indians in what are known as the subordinate grades. But apart from that, definite instances were given with regard even to lower grades to show how Indians were being treated. Specific illustrations were given with regard to the manner

of appointments of guards, drivers and ticket collectors. Attention was drawn to the different methods of selection of Indian and European apprentices at Jamalpur for the technical services. The question of medical relief was also prominently drawn attention to. So far as I was concerned, I concentrated my attention on the East Indian Railway. But other Honourable Members, who took part in the debate, pointed out that the distinctions I had complained of were rampant on other railways also. It was the clear duty of the Railway Board, when asking the railway managements to report on the action they proposed to take to remove all traces of racial discrimination, to inform the Board what the existing rules were in regard to matters complained of in this House, what were the other matters in regard to which racial discrimination existed, and how the Administrations proposed to change the rules against which legitimate complaints had been made. That procedure does not seem to have been followed. If it has been followed, at any rate we have not been informed of it, and there are no papers before us to show what replies have been sent by the railway managements. I must therefore trouble the House again for a while with our grievances in the East Indian Railway with regard to the very subordinate services of which I have just made mention. I will not repeat what was said in this House last year or the year before last. I only propose to place fresh instances of racial discrimination in regard to these services before Government and this House.

First, take the question of Guards. I should like to know how these guards are selected for "A" grade, because that was the grade in regard to which complaints were made in this House. I understand that selections are arbitrary, and neither seniority nor educational qualifications are the determining factor. Again, I should like to know how many Indians have been either appointed direct to "A" grade or even promoted to that grade. I should also like to know whether the Sunday allowance is now allowed to Indians. Perhaps my Honourable friend, Mr. Hayman, will tell me that a rule has been made now on the East Indian Railway that no man appointed after the 1st April, 1929, would be eligible for this allowance. But I understand that, in spite of this recent rule, men bearing European names have been allowed the Sunday allowance, while it has not been allowed in the case of a single Indian.

I will now pass on to the case of Drivers. Have Indians been promoted to the "A" grade of drivers as yet? If not, why not? Has the period during which an Indian can rise from fireman to driver, which is 10 to 15 years as compared with 5 to 10 years in the case of a European, been shortened? There is nothing in the replies that we have received to show that any action has been taken in this direction.

Coming, Sir, to the technical services, I understand that, while Indians are required to have passed the Matriculation examination in the first division, the passing of the Junior Cambridge examination is considered adequate in the case of Anglo-Indians. Exceptions are not made in the case of Indians, while they are made in the case of Anglo-Indians. Indians are required to compete amongst themselves, and people bearing European names amongst themselves. Even when Indians have passed out of Jamalpur, I understand they are not employed in the Loco. sheds. I have been told that no technically trained Jamalpur Indian has yet been sent to these sheds either as a fitter or as a supervisor or as an inspector.

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Take the question again of medical relief. Questions have been asked on this subject repeatedly in this House, and my Honourable friend Mr. Parsons has answered them in his usual unsatisfactory manner. I should therefore like to tell the House again what the grievances of the Indian staff in respect of medical relief are. There are no nurses for indoor Indian patients. There are Anglo-Indian nurses, but they attend Anglo-Indian indoor patients. When there are no Anglo-Indian patients, I understand, even then, they do not attend on Indian patients. (*Lieut.-Colonel H. A. J. Gidney*: "Yes, it is so.") I know of cases where they have refused to attend on private Indian patients, even when promised adequate fees. Then, Sir, there are no proper arrangements for Indian maternity cases. Some time ago my Honourable friend Mr. Parsons sent me a statement, showing the number of cases confined in East Indian Railway hospitals. I should have liked to know what were the fees that Indians had to pay in those cases to the District Medical Officer, or to the officer subordinate to him. I should have liked to know how many of these cases related to lady passengers and not to the wives of the railway employees. Again there are no midwives employed for Indians. The staff of the East Indian Railway has, I believe, approached the Agent more than once in that respect, but a deaf ear has been turned to their request. There are other questions that can be put in that connection, but I am perfectly certain that my Honourable friend Mr. Parsons is thoroughly aware of them. They can all be easily removed if he would only exert himself a little in this respect.

Lastly I will take the question of housing accommodation for Indians. Indians, whatever their pay, are allowed quarters in exceptional cases: Europeans and those who are allied to them, are allowed quarters as a rule. In the second place, the amenities allowed to Indians are far inferior to those allowed to Europeans, and those classed with them by Government. Then, Sir, all quarters for Europeans and cognate classes are fitted up with electric fans and lights, irrespective of pay. Indians getting above Rs. 125 per month can be allowed electricity, but in practice their applications are turned down. I could give many other instances of this nature which are exceedingly galling and humiliating, but I will give only one which relates to the Fines Funds, to which the attention of the House was drawn last year. I see that the deputation of the All-India Railwaymen's Federation, which waited on the Honourable the Railway Member last May, also drew his attention to this subject. The complaint has generally been made that the Fines Funds, although contributed to largely by Indian employees, are used mainly for the benefit of European and allied railway servants. Government promised last year to convert the Fines Funds into Staff Benefit Funds, and to have committees representative of railway employees for their management. I should like to know what has been done in this respect. If these funds were properly used, institutes could be set up for Indian employees as they are in existence today for European employees. I trust, Sir, that some satisfactory explanation on this subject will be given; for connected with these institutes are many other questions which I do not wish to raise today. There is one other point with regard to which I should like some explanation from my Honourable friend Mr. Hayman. I understand that the East Indian Railway Company employs a musical band, which is reserved for the use of European institutes, and that wherever swimming baths are provided, they are reserved for Europeans and those who are supposed to be allied to them.

I hope, Sir, that the instances that I have given will convince the House of the existence of grave racial discrimination in connection with the employment of Indians and their subsequent treatment. As regards housing accommodation and medical relief, I have the testimony of the Honourable the Railway Member himself on my side. Speaking during the Railway Budget debate last year, he said with regard to these two matters:

"Now, Sir, we have received reports from the Agent which refer, amongst others, to these two matters, and I think it is clear, that as things stand at present, there is not complete racial equality in those particular matters. I think there are differences in the quarters allotted to European and Anglo-Indian subordinates which apparently are in some cases more spacious and comfortable than those allotted to Indian subordinates. As regards medical attendance and medical assistance, it appears from the reports we have received that there are differences in the rules as regards the kind and quality of attendance that is to be given."

This confession was made by the Honourable the Railway Member last year. Has any improvement taken place during the last twelve months? If not, how long are we to wait for it?

Sir, I shall now deal with one case relating to those services which are technically regarded as subordinate. I refer to the local traffic service. I understood from my Honourable friend, Colonel Gidney, last year that all the direct recruits for the local traffic service were Indians. The House should therefore know how these direct recruits had been treated. When the Local Traffic Service was formed, it was laid down that men belonging to this service would be eligible for 20 per cent. of the annual recruitment to the superior traffic service and that promotion would usually be made at an early period of service. In 1926 the rule was changed and the subordinates were included in the allowance of 20 per cent. which was laid down only for the direct recruits formerly. My Honourable friend, the Railway Member, promised in September last to look into this matter. But we do not know what the result of his inquiries has been. Take another point, Sir, in this connection. Since 1925-26, when direct recruitment to the Local Traffic Service ceased, only six persons had been promoted from the subordinate services and the Local Traffic Service to the Superior Traffic Service. I explained that point during the discussion on the Railway Budget last year. Only one of these, Sir, was a man directly recruited to the Local Traffic Service. Of the other five, I believe only one was an Indian and the rest all bore European names. My Honourable friend, Mr. Parsons, promised to look into this matter, and to see whether those men in the Local Traffic Service, who were considered fit for promotion, could not be speedily promoted, so that there might be no sense of grievance amongst the members of the Local Traffic Service on this point. On this point again, we are ignorant of the action taken by the Government. Indeed we have some right to complain that, although this matter has been before the House for the last three years, they have taken no action, either to give satisfaction to their employees or to assure this House that they mean to treat their Indian employees in the same way as they treat their European or other employees.

Just one more point, or two points more, Sir, before I sit down. My Honourable friend, the Railway Member, knows that I have frequently drawn his attention in this House to the position of the teachers of the Indian Railway High schools. I do not know whether provision has been made in this Budget for an increase in their salaries. But I understand that the East Indian Railway is trying, despite the clear orders of the Railway Board, to introduce a lower scale than that recommended by the

Lieut.-Colonel H. A. J. Gidney: I am not afraid of the consequences. Your criticisms refer to 1923. This is 1930.

Pandit Hirday Nath Kunzru: I am not perturbed that my Honourable friend has decided upon this course. He has resolved to throw in his lot with Europeans. I wish him well, but let him not complain if we, hereafter, relying on what he has said, treat him as a non-Indian. I do not say that there is no time for the Honourable Member to retract what he has said; I will give him unlimited time to change his position, but so long as he classes himself with Europeans he must be content to be regarded as a non-Indian.

Mr. Lalchand Navalrai: I thought he became a good boy in the end?

Pandit Hirday Nath Kunzru: Now, Sir, my Honourable friend took the figures relating to the employment of Indians in all grades, even in the lowest grades—he took Indian scavengers and peons too—and showed to what extent their number had increased. If my Honourable friend's argument is sound, then no trace of racial discrimination exists even as between statutory Indians on one side and Europeans on the other. I am sure when he proved his point, he proved too much. (*Lieut.-Colonel H. A. J. Gidney*: "Too much for you.") Too much for the Honourable Member himself, who, at the end of his speech, indulged in special pleading on behalf of his own particular community. Sir, my Honourable friend told us that the Anglo-Indian community occupied its present position in the Railway services because of its aptitude for Railway work and because of their proved fitness and efficiency for the duties that had been entrusted to them.

Lieut.-Colonel H. A. J. Gidney: I never used the word "aptitude".

An Honourable Member: He is improving on your language.

Pandit Hirday Nath Kunzru: I am not using the exact words of the Honourable Member. I am only quoting the substance of what he said. He must remember that Indians were definitely kept out of the railway services in the past, and that the educational qualifications were deliberately kept low in order to permit of the admission of Anglo-Indian candidates. If that is the situation, the Honourable Member cannot say that he is coming through the open door and that no favour is being shown to his community. If the same standards are observed in regard to recruitment, if equal opportunities are given to all communities for admission to the railway services and if then the Anglo-Indian community can hold their own, he would be justified in getting up in this House and saying that the Anglo-Indian community possessed what it did because of sheer merit. But so long as the present position remains, so long as he allies himself with Europeans and the Europeans take his community under their protecting wings, it is no use pretending that the Anglo-Indians enjoy predominence in the railway services because of their special merits or qualifications.

Lieut.-Colonel H. A. J. Gidney: That does not take us very far.

Pandit Hirday Nath Kunzru: One word more, Sir, and I have done. My Honourable friend, Colonel Gidney, drew attention to the grievances of the Anglo-Indian community towards the end of his speech.

Lieut.-Colonel H. A. J. Gidney: I did not. I referred to genuine cases of racial discrimination of which the Member was ignorant.

Pandit Hirday Nath Kunzru: In so far as he wished to point out that Anglo-Indians were treated differentially from Europeans as a class, I am entirely with him. Should he desire that Anglo-Indians should have the same privileges as are afforded to Indians, he will have our hearty support.

Lieut.-Colonel H. A. J. Gidney: Yes, I do.

Pandit Hirday Nath Kunzru: But should he desire that Indians should remain where they are, but that his community should be afforded a privileged position, there will be no greater opponents of that claim than we on this side of the House. We recognise Anglo-Indians as our countrymen. We are prepared to deal generously by them. We are not going to insist on proportions in their case. We are not going to say that they should not be given a single appointment more than they are entitled to by virtue of their population. But the Anglo-Indians must definitely regard themselves as Indians. They must throw in their lot with the people of this country. They must develop an Indian patriotism and remember that their glory lies in serving the land of their birth.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, this subject of racial discrimination has been discussed only from one aspect so far, namely, the percentage of the various communities in the railway services and the amenities offered to the various communities in the service in the shape of medical relief and other things. A certain amount of heat was also generated, as it must do, when such racial questions come up. I for one stand for nationalism and do not believe in any racial discrimination and in that I am backed by the gracious message of Her Most Gracious Majesty, Queen Victoria, of revered memory, who, when assuming the reins of Government of this continent of India, assured her people that, in all appointments there would be no distinction of caste, creed or colour. But of late the rulers sent out to India, have overlooked that policy, and have introduced racial and communal discriminations in the matter of appointments to services from political motives. I remind them that, in the near future, they will be hoisted with their own petard as the engineer was. If they rake up these questions of communal antagonism in the way in which they have been doing, at times sedulously asking one community to come in and make its representations, and assuring them of appointments, then you are bound to create bitterness in other communities by rousing racial jealousies.

(At this stage Mr. President vacated the Chair which was taken by Pandit Madan Mohan Malaviya.)

I for one believe that efficiency should be the sole test for the public services. I do not believe in any communalism. It may be to the interests of our foreign rulers to rake up the worse feelings in us, but I warn them that such things will not last long. The majority communities are in a position to bid goodbye to you and all your services; in fact this hankering after service has been the bane of our public life in this country and has dissuaded many a patriot from active service in the field of politics. I know, Sir, that it has spoiled even the Calcutta Bar. When one man was raised to the peerage, there were twelve other aspirants in the Calcutta Bar who thought they would one day become peers of the United Kingdom of Great Britain and Ireland.

So, Sir, I want to say nothing about the racial discrimination so far as the percentage of appointments in the railways is concerned or the

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emoluments that are given to the various communities, because it has been, to a certain extent, thoroughly discussed. But, Sir, there is another aspect, namely, the matter of railway construction, where racial discrimination is rampant. It is the policy to carry on railway construction on the basis of racial discrimination. I can give you instances if you please. I think the Honourable the Railway Member knows that there is such a place as Talcher, where we had no railways before; but the reason why a railway was constructed there was because certain European miners went there with prospecting leases at a very advantageous rate when no Indian would think of taking leases of those tracts, because they knew that to carry coal from that place would cost them so much that they could not carry on a trade profitably; but these European miners who went there knew very well that, as soon as they got advantageous terms, they would be able to have a Railway line constructed with the help of the Railway Board. This is one aspect of racial discrimination which should also be condemned.

Now, Sir, there is another tract of country in West Bengal, far more civilised, which was in fact the harbinger of civilisation in Bengal, which is called Gangarides or Rarh; and will you believe it, Sir, that that tract of country has got no railways up till now? Why? Because eminent men like Sir Rash Behari Ghose and others came from that tract and they wanted that the tract should have railway communication. If the Government could postpone a line like the Dacca-Aricha Railway, about which we had ample discussion the other day, a proposal which they had before them for fifty years for which they have been rightly condemned, their conduct deserves greater censure for neglecting this tract of country for more than half a century. It was in the early seventies that Horace Bell the great engineer first thought of having a railway through that tract. It was in 1878. Ten or twelve years afterwards there was another survey, about 1888 or 1889, and after thirteen or fourteen years, there was another survey during Mr. Chadwick's time. I do not know whether the Railway Department is in possession of all these facts; but I know all these facts personally from my childhood as my father happened to be a railway engineer. In 1906 the project took the shape of the Howrah-Bishnupur Chord, and we thought the line was going to be constructed. But somehow or other it dropped though the late Mr. Bhupendra Nath Bose, a Member of the old Imperial Legislative Council tried his level best to have this line constructed. But as soon as Mr. Bhupendra Nath Bose was away from the council, the Railway Board did not think it necessary to take any further steps. Since then, Sir, humbler individuals like myself have come in their places in this Council and they have been approaching every one possible from the Honourable Member downwards to construct a line through that tract, but the Government have turned, so far, a deaf ear to all these requests. Two or three years ago the District Magistrate of Hooghly and another Honourable Member and myself approached Mr. Parsons, and he told us that he would look into the matter. This tract of country is the birth-place of the greatest of Bengali poets, Kavi Kankan and other poets like Rupram and Ghanaram and others. It is inhabited by a highly civilised race, and therefore, probably, the Honourable Member thinks that this tract should be cut off from other parts of the country.

Sir, the Bankura-Damodar River Railway was constructed with a guarantee from the Government, and what are the figures of that line? In 1927-28, the gross earnings amounted to Rs. 2,12,000 while the working expenses were Rs. 2,28,000 or a loss of Rs. 16,000 in running the railway.

In 1928-29 the gross earnings were still less—Rs. 1,82,000—and the working expenses came to Rs. 2,35,000, or a loss of Rs. 53,000. Besides this, the Government have to give to this railway line the guaranteed interest which they promised. Why is this line not paying? Because it would not traverse that portion of the country from which there could be enough traffic. There is the sub-divisional town called Arambagh, which is about fifteen miles from the railway station of Sehara on the Bankura-Damodar River Railway, and ten miles North is the town of Burdwan intercepted by that great river, Damodar, whose floods create havoc. Am I to understand, Sir, that because they have to construct a bridge over the Damodar, they will not extend the line from Sehara to Burdwan? Or is it because we, humbler people, are there and they don't want to do anything for us. (*An Honourable Member*: "Where is the racial aspect?") This is the racial aspect.

Mr. Chairman (Pandit Madan Mohan Malaviya): Will the Honourable Member confine his remarks to the question before the House, which is racial discrimination in the railway service?

Mr. Amar Nath Dutt: Now, Sir, why should the Railway Board make this racial discrimination against people who reside in this highly civilized part of the country which is known as the Dakshin Rarh? I believe the Dakshin Rarh has been responsible for producing the greatest men of Bengal, who have been a thorn in their side. Beginning from Raja Ram Mohan Roy, up to date, most of the greatest men like Sir Rash Bihari Ghose and Mr. Bhupendra Nath Basu came from the Dakshin Rarh, and therefore the Railway Board will not care to build a railway . . . . .

Mr. M. S. Aney: Discriminating against the gifted Bengalee race?

Mr. Amar Nath Dutt: Yes, you might say so. Sir, I once more reiterate from my place in this House that racial discrimination is observed not only in the matter of employment of the children of the soil in the railways, but also in the matter of railway construction, and we condemn it in no uncertain voice. As I have already submitted, there is the Dacca-Aricha Railway, about which we had a long discussion yesterday, and as there was no chance of the cut about the Bankura-Damodar River Railway being reached, I have taken this opportunity to speak on this subject in connection with racial discrimination.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I do not grudge the privileges given to any particular class, nor do I propose today that they should be withdrawn, but I do advocate that those privileges should be extended to all. I would confine my observations to educational matters to which reference has been made by my Honourable friend, the Revd. Mr. Chatterjee, and also by the Honourable Member in charge of Railways. There is no doubt that the Railway Board will have to maintain a certain number of schools for reasons which I will give later on, but I do not like that these schools should be labelled as European schools and Indian schools. This racial discrimination ought to be removed. I can certainly understand that certain schools should be maintained for those boys who live in European style, but I also maintain that the Indians who desire to live in European style should also be admitted to these schools; but if you maintain an efficient school for those boys who live in European style, I would demand that equally efficient schools should also be maintained for those boys who desire to live in Indian style. I can also understand it if you have a school in which the medium of instruction is to be English, but that

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school ought to be open to everybody who desires that his sons or wards should be taught through the English medium. I can also understand, if you have a special school to prepare the boys not for the Indian University examinations but for the examinations conducted by the Oxford and Cambridge Universities, but such schools should be open to every boy whose parents desire that their sons should pass these English examinations. I can further understand a differentiation based on the cost of education, and it may perhaps be necessary to provide a school where fees may be comparatively high. But it does not follow from this that you should overlook the education of those children who cannot afford to pay the high fees. You have to care for those who can afford to pay the high fees as well as for those who cannot afford to pay those fees.

Now, Sir, it is not possible for the Railway Board to establish an Education Department of its own, and nobody on this side will advocate the establishment of such a department; but it is absolutely necessary for three main reasons to establish some schools for the benefit of the children of the employees of the Railway Department. Unfortunately the policy of education and the way in which it is carried out is very much to be blamed. Of course, I do not like to discuss the educational policy, because we will have ample opportunity for it when we take up the Education Budget.

I now give the reasons on account of which it is necessary for the Railway Board to establish some schools. One of these reasons is, that all these schools, on account of the special policy adopted by the Education Department for the promotion of secondary education, are overcrowded. If the present railway schools are closed today, then the children now attending those schools will find it exceedingly difficult to find admission either in the European schools or even in the High Schools maintained by the Education Department. My second reason is that the railway officials are transferred along the same line from one province to another, and the children who are being educated, say in the United Provinces, will find it exceedingly difficult to receive their education, say in Bengali, if their parents are transferred to that province. The medium of instruction is different, and the curriculum of studies is also different. The third reason is that the number of students in every school is very limited. There are certain facilities afforded to civil servants. In every province, if a civil officer is transferred to another district, he finds very often a school of the same type, and there is a provision that, whatever the number of the students in a particular class may be, the sons of the civil servants so transferred should be admitted. But I doubt whether such facilities will be extended to these railway servants. For these reasons I think it is desirable that the Railway Board should maintain a certain number of schools of their own.

Then the Honourable Member raised a question whether the schools maintained by the Board should be Middle Schools or High Schools. I very emphatically say they should be High Schools and not Middle Schools, and this for two reasons. In the first place, it is more difficult for these children to find admission in the High Schools than in the Middle Schools. The number of Middle Schools is comparatively larger. Middle Schools also exist in smaller towns. Besides the boys can also find their way to High Schools through what they call the special classes provided in vernacular and High Schools. Therefore, wherever a school is established, it ought to be a High School. My second reason is that, even for low paid

appointments, as my friend just stated, the Matriculation certificate is necessary, and therefore it is highly desirable that the Railway Board schools should see that the boys, after leaving those schools, are enabled to enter the Railway Department if the parents desire their boys to do so.

Now, the cost of a High School maintained on public school lines, that is the line which we have advocated for the English boys, is not very prohibitive. A school of this kind will cost about Rs. 50,000 per annum and this cost can be reduced by the amount of fee which we may charge. And the amount will be increased if the students are lodged and fed at the expense of the Railway Board. But if the students are required to pay the ordinary fees which they usually pay in other schools, then the cost of maintaining a High School will be reduced to Rs. thirty thousand a year. If the Railway Board be not in a position to establish schools of their own, then they can arrange with some of the good existing schools to admit the sons of the railway employees, especially sons of those who are posted at stations where no schools exist, at a moderate cost. Now, this arrangement can conveniently be made with a number of selected schools in different localities, and by this arrangement the cost of education per head will substantially diminish. So much I have to say about education. There are two more things to which I should like to draw attention. Reference has been made to the Report of the Lee Commission and the percentages of 50 and 75. I maintain that this Lee Commission Report is out of date. It was written at a time when the country was not seriously considering Independence or Dominion Status. Now, with the new political outlook, this Report is out of date, and we want a much higher percentage, as high a percentage as the country can afford.

I would also draw your attention to item No. 53 standing in my name which is co-related to this motion. As I will not have the time to move that motion, I do request the Governor General in Council, through the Member for Railways, that, whenever a vacancy occurs in the Railway Board, it should be filled up by an Indian and not by an Englishman. If you take the total figures of the Indians and the Europeans, the figures of the Indians will always be high. I admit that all the coolies in the Railway Department are Indians, that all the clerks drawing salaries of Rs. 25 and below are Indians, but they are not now the subject under discussion. We want that the higher services, the Members of the Board, the Agents, the Staff officers and the posts carrying higher salaries should be Indianised.

***Mr. N. C. Kelkar:** I just want to say one or two words very briefly. I support the cut motion for this reason, that in the latter part of the speech of Colonel Gidney we have received complete support for our contention that there is racial discrimination as between Europeans and others. I also welcome the cut motion because, in my opinion, it is going to give the Honourable Member for Railways a welcome opportunity for making a statement, which I suppose he has yet to make, by way of laying down the general policy of the Railway Board in the matter of racial discrimination. I may be wrong, but I may remind him that, on the 4th February last year, Mr. Parsons, in reply to Pandit Hirday Nath Kunzru, with reference to the removal of this discrimination, stated, that a full statement would be laid on the table as soon as all the replies had been received, and any action, which it was found necessary to take, on them had been determined. I plead guilty to the charge of ignorance if that statement has been already laid on the table, but if it has not, then here is an

*Speech not revised by the Honourable Member.

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opportunity for the Honourable Member to make a full statement bringing the results and facts up to date.

Now, with regard to Colonel Gidney's remarks about the Anglo-Indian community, I think his defence is absolutely weak. He knows very well that his community does enjoy considerable patronage and preference, and yet he wants to pretend that there is no such favour shown to his community. He wants to run with the hare and hunt with the hounds. His community is a kind of Dr. Jekyll and Mr. Hide, with two faces, one towards the Indian, the other towards the European. He has also got faces turned towards the Indian and also towards the European, and through both these mouths he is prepared to get for his community all possible advantages that could be secured under one pretext or another, whichever may be suitable to him for the moment. He is an Indian when there is a policy of Indianisation.

(At this stage Mr. President resumed the Chair.)

He is included among the Indians in filling the 75 per cent. of posts reserved for Indians. There is nothing wrong in that, because they come in as Indians. That would be his line of argument. But when it is a question of reaping the special educational facilities through schools reserved for Europeans, then he is an European and not an Indian. When it is a question of reaping the benefits of the Auxiliary Force, then he is an European, at least a non-Indian. So this Anglo-Indian community is very conveniently playing a double game of being Indian at one time and non-Indian at another. All that mischief comes out of the dubious definition of Anglo-Indian as a statutory Indian for practical purposes. The merits of this definition are on a par with the other definition of an Indian nation of which we have heard a good deal. We know what an Indian national is when it is convenient to the European, and we know what an Indian national is when it goes against the interests of the Indian. So under the darkness of this dubious definition, a number of sins of selfishness are being committed both by the Government and by the Anglo-Indian community.

Now, whereas, Colonel Gidney says that there is no distinction between Anglo-Indian and Indian, Government say that there is a distinction. He cannot get over that, and with regard to that distinction, however, there are two different reasons given by the Government and the Anglo-Indian community. Colonel Gidney puts it on the basis of loyalty. But Government are more shrewd. They do not want to put it on that ground. They say, "You have got aptitude; you are the bone of our bone, the flesh of our flesh; how can you avoid having special aptitude? Though in your innocence you do not know that you have got special aptitude, we know that you have special aptitude. It is not for your loyalty that we are showing this favour, but it is on account of the special aptitude that you have got." In this letter which the Railway Board wrote to the different Agents of all railways with a view to get information about Indianisation and racial discrimination, they say the same thing. I do not know whether Colonel Gidney is aware of the great compliment which Government are deliberately paying to the Anglo-Indian community for their special aptitude. Next time when he speaks about this, he should have regard to the reason of aptitude along with the reason of loyalty. This is what Government say: "Agents have already been informed that for the purpose of Indianisation, Anglo-Indians are statutory Indians, and the Government desire it

to be clearly understood that they do not suggest, and never have suggested, that Anglo-Indians should be discharged merely in order that they may be replaced by Indians. Also they recommend to the full the aptitude of the Anglo-Indians for certain branches of railway work, and they are not in favour to any policy which would oust the Anglo-Indians from those branches. (*They consider, however, they must be also good to the Indians for they are also under the same Government and the Government must appear to be impartial.*) They consider, however, that Indians should also be recruited for these branches, particularly the subordinate Traffic Service (*not the higher*) and should be given equal opportunities of showing their aptitude and capacity for the higher and better paid posts."

I want the House to mark the words: "They consider, however, that Indians should also be recruited for these branches." What does it mean? It means this, that primarily the Anglo-Indians should be recruited, and, of course, there should not be any room left for saying that Indians have not been admitted and therefore they must also be taken. That really gives the clue as to what percentage Government really intend to give to Anglo-Indians and Indians. Sir, the word "also" reminds me of the racecourse talk that I heard some time back. I have not seen a race myself, but of course I have talked about racecourse matters. "So-and-so won the race and so-and-so also ran." So, it is like that. The Anglo-Indians won the prize and so-and-so Indians also ran in that direction. Then, again, once they are admitted, Government do not say how many Indians will be given the same opportunities for promotion and training, etc., as the Anglo-Indians. And who has answered the question as to how many Indians will be admitted in the first instance? Even the railways have made that distinction, and in the letters received from the Agents, this appears to be the case. Of course, they are not so innocent as my friend Colonel Gidney is, because he wishes to ignore the distinction between Indians and Anglo-Indians. In all the details that the Agents have given, they have included Anglo-Indians along with Europeans as distinct from Indians. In this letter from the Assam Bengal Railway, dated the 22nd December, 1927, the figures are given for Agency, Audit, Medical, etc., for Europeans and Anglo-Indians and Indians. We find there that in the Traffic Department there are 21 posts given to Europeans and Anglo-Indians and only 10 are given to Indians and yet the Agents are prepared to say that there is no racial discrimination. I would repeat again what I said the other day: "God said, 'Let there be light, and there was light'." And the Railway Board said, "Let there be no racial discrimination", and there was no racial discrimination. But when you go through all the replies, you will see that the Railway Agents have taken shelter under the same pretext as the Railway Board, *viz.*, particular people or groups of people have a special aptitude for a particular kind of work. Who is going to solve this riddle? Who knows what aptitude is required for a particular kind of work? After all, the Agent is in the highest position, and he is the sole judge of the quality of the work and the quality of the human being that does the work. There is an end to it. When he says that that is his final opinion, that is the end of the whole thing. Therefore, I entirely support the cut motion of Colonel Gidney because he has, in the latter part of his speech, very clearly brought out the distinction that is observed and the favouritism that is shown to Europeans as against Indians.

Mr. A. M. Hayman (Railway Board; Nominated Official): Sir, when I got up to speak last Saturday, I said that I felt myself under a great disadvantage. Today too, Sir, I feel under a disadvantage even

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greater than I felt on Saturday. I feel it because one of my Honourable friends on the other side made an observation—I think it was Munshi Iswar Saran—that I tried to mislead the House in regard to certain figures I had quoted.

Munshi Iswar Saran: I did not say that.

Mr. A. M. Hayman: I am sorry, Sir. Then it was somebody else who said that I had tried to mislead the House by quoting certain figures, and that I ought to remember that I was a baby in this House and that he and several others had been here for many years. Well, Sir, actually in the matter of the study of the figures and drawing inferences from them, I claim to be very old at the game. I have spent 31 years in the Government service almost entirely in compiling and studying figures and drawing inferences from them. But from another point of view there was a lot of truth in his remark, and it is because of this that I feel myself under this great disadvantage. It is true that I am a baby in this House when it comes to a question of speaking, because I only come here for a few days now and then each year, and I do feel a certain amount of nervousness when I have got to deal with such a big subject, on which so many Honourable Members have spoken. Although I have all the facts and figures with me, I feel that on this subject I cannot readily marshal my case in such a way as fully to convince the other side of the House. Therefore, I will ask the Honourable Members on the other side to bear with me a little and have a little patience if I do not present my case as strongly as I ought to.

I think I should first begin by saying a few words on the question of the Indianisation of all our superior services of railways. Although the Railway Board have, for many years past, followed the policy of progressive Indianisation, it may be said that this policy was only pursued systematically from the year 1925. In that year, Government set before itself the goal to Indianise the superior services by filling 75 per cent. of the vacancies by officers of Indian domicile. It was just about that year that this House, when dealing with a proposal for the separation of the Railway finance from the General finance of the country, added a recommendation to the main Resolution which was not part of the Resolution, and urged upon the Government that the Railway services should be rapidly Indianised. It was shortly before this that the Lee Commission had reported and they made this definite recommendation in regard to State Railways superior services:

"That the extension of the existing facilities should be pressed forward as expeditiously as possible in order that recruitment in India may be advanced as soon as possible up to 75 per cent. of the total number of vacancies in the Railway Department as a whole."

I have read these words over because I think in a way they are a direct answer to an observation made by my Honourable friend Pandit Hirday Nath Kunzru, that we ought to examine our position carefully in respect to each of the separate departments of our railway service, and proceed as rapidly as possible to get 75 per cent. in each of our different services. Lest I should overlook the point, I think I might tell the House, as a further answer to the observation of my friend Mr. Kunzru, that, while the goal which we have set before us is the attainment of 75 per cent. for all the services taken together, we ourselves for practical reasons have got to take some of the services apart, because of the different rules of recruitment for these services and the different way in which we have to obtain

the Indians for the vacancies in each of them. Sir, we have laid all the information that we have on the subject before the House, and if the House, or any Member of the House, will read page 64 of the Railway Board's Report for 1928-29 he will find that we have given figures there which show the rate of recruitment in the different sub-divisions in the year 1928-29. The figures given there are significant figures, and I will read them to the House; to the Engineering Branch, 80 per cent., to the Transportation, Traffic and Commercial Branch, 83 per cent., to the Mechanical Branch 18 per cent. and to other Branches 94 per cent.

I will now make one or two observations to meet the criticisms that were made in connection with recruitment to our superior services. The criticisms were mainly directed against our rules of recruitment. Our rules of recruitment were drawn up soon after we applied ourselves to the task of going in for rapid Indianisation, and those rules were all discussed with the Central Advisory Council before Government put them in their final shape and issued them.

The first applications for appointment, under the Regulations, to the Indian Service of Engineers, and Transportation and Commercial Departments, were called for only in July, 1926. In the case of Mechanical Engineering and Transportation (Power) Departments, we have explained here from time to time that our method of recruitment was to train apprentices partly in this country and partly in the United Kingdom, and we prescribed that the total training should be completed within a period of seven years. Later on, we found by re-examination of the position that we were able to reduce the term to six years. We have now got, Sir, 37 young men under training, all of Indian domicile, and we hope that we shall be able, both on our State railways and on our Company-managed railways to find employment for every one of them who eventually qualifies. I just mention the fact about these dates, because I think there is some credit due to Government for having done so much in these few years, that is from 1926 in some of the services, from 1925 in some other services, and from 1927 in yet other services, in these few years from then up to now. We have, in the last year for our State worked railways, recruited 71 per cent. of our vacancies for our superior services.

I should like to say a word about that figure, because two or three of the Honourable Members today, in their speeches, paid great attention to the figure of 49 per cent. which appears in our Report. Now, Sir, what happened was this, and it is explained in a note at the foot of the statement. We say here, of the total vacancies filled during the year, 49 per cent. were filled by Indians as against 54 per cent. in 1927-28 and 47·5 per cent. in 1926-27. Now comes the significant point. "The drop in the percentage of Indian recruitment is accounted for by the fact that 20 recruits of the permanent establishment for 1928-29—9 for the Engineering Department, 7 for the Transportation Traffic and Commercial Departments and 4 for the Medical Departments joined their duties after 31st March, 1929. They were actually recruited for 1929, but they joined rather late. That makes up our 71 per cent. That is a straightforward and honest claim. It is not 49 per cent. but it is 71 per cent." Then, Sir, I have got to give a short explanation . . . .

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Is it not a fact that in the recruitment of officers to gazetted rank in 1928-29, 51 per cent. of those who were newly recruited were Europeans? The Honourable Member would find it at page 64.

Mr. A. M. Hayman: If I am correct that for our State Railways 71 per cent. who were recruited were all of Indian domicile, then the percentage for Europeans could only be the difference between 100 per cent. and 71 per cent.

Mr. R. K. Shanmukham Chetty: I am asking about the recruitment of officers to gazetted rank. Is it not a fact that, out of those recruited to gazetted rank in 1928-29, 51 per cent. were Europeans? How does the Honourable Member reconcile that with his statement? These figures are to be found in page 64 of the Report.

Mr. A. M. Hayman: As we have in 1928-29 recruited persons of Indian domicile to the extent of 71 per cent., then the recruitment of Europeans could only be 29 per cent.

Pandit Hirday Nath Kunzru: Will the Honourable Member say what were the total number of vacancies that were recruited for, and how many Indians were appointed?

Mr. A. M. Hayman: I shall supply the Honourable Member with information about this later on. In the meanwhile I do want to get on to a few more important points in reply to the observations of other Honourable Members.

Mr. M. S. Aney: Will the Honourable Member explain what he means by saying that 51 per cent. of Europeans were recruited to the gazetted ranks in that year?

Mr. A. M. Hayman: I can only repeat what I said in reply to my Honourable friend Pandit Hirday Nath Kunzru. I must be fair to all Members, and so I must pass on to reply to some of the criticisms made by them.

Mr. M. S. Aney: That leads us nowhere.

Mr. K. C. Neogy: May I know if these 20 additional appointments will be taken into consideration also in the following year, that is, 1929-30, for the purpose of calculating the percentage for that year?

Mr. A. M. Hayman: The Honourable Member's observation is a very proper one, and I do not think that we would have the courage to attempt to do what perhaps he suggests that we would do.

Sir, I will repeat that the figures I have supplied relating to our State-managed railways are correct. The position of our Company-managed railways is not quite satisfactory and I am not going to disguise from the House that, personally, I am not altogether satisfied with the progress that has been made on our Company-managed railways in this matter of progressive Indianisation, namely, the wish to reach 75 per cent. at the earliest possible date.

Mr. B. Das: The Bengal Nagpur Railway is the worst in this respect.

Mr. A. M. Hayman: I am glad the Honourable Member raised that point and I can give a reply now. I faced this question with every desire to meet the obligations of Government by commencing an examination into the details for the past few years of each and every Company-worked line. It is my intention to speak to the Agents of each of the Company-worked railways when they come here next month. But very recently I had an opportunity, when I went to Calcutta, to cover the whole ground

with the Agent of the Bengal Nagpur Railway, which my Honourable friend, Mr. Das, says is the worst railway in this respect.

Lieut.-Colonel H. A. J. Gidney: The best railway in India—none better.

Mr. B. Das: For the Honourable Member's community.

Lieut.-Colonel H. A. J. Gidney: Perhaps it is the worst railway because the Honourable Member is not now a Member of the Advisory Committee?

Mr. B. Das: Don't care to be on it.

Lieut.-Colonel H. A. J. Gidney: Grapes are sour Mr. Das.

Mr. A. M. Hayman: Well, Sir, the time that I spent with the Agent was time well spent. It was not merely that we talked about Indianisation and used a number of words and then that I came away from him with a general promise that he would look into the matter and that he would do all he could. I am not satisfied with that sort of thing. I tackled the Department in which there was difficulty in getting Indians, that is the Transportation (Power) and Mechanical Engineering Departments. Mr. E. Jarrad, the Agent of the Railway, was, I must say to his credit, ready to move forward, and before I left Calcutta he had got hold of three young Indians in his shops who had gone through a certain amount of superior training and who had superior education, and he said to me, "I am quite prepared to make these three young men probationary officers in the Mechanical and Electrical Departments, if the Railway Board would help me by giving me three Probationers' posts for this purpose". I said the Railway Board would only be too glad to do so. Now, Sir, he has come up with a definite proposal officially to give effect to that discussion of ours, and it is only a matter of a little time when we shall place these proposals before the Standing Finance Committee to get sanction to the posts. Thus there will be a beginning on one of our Company-worked railways to take Indian officers into their Transportation (Power) and Mechanical Engineering Departments.

Munshi Iswar Saran: Are they Indians or statutory Indians?

Mr. A. M. Hayman: I do not really like to enter into that question, but I will answer the Honourable Member because he puts it very pointedly. They are all Hindus. (Laughter.) We went through the matter carefully to pick out the qualified people, and the three qualified people that we got hold of were Hindus.

There is one important thing which I should like to tell this House before I leave this subject, and it is this. I shall strive personally to get to this 75 per cent. on our State-managed railways and on the Company-worked lines. I do not see any difficulty, except in the Mechanical Engineering and Transportation (Power) Departments. Beginning with this year, we advertised for as many candidates as we could get for appointments in the Transportation (Power) and Mechanical Engineering Departments. My Honourable friend Sir George Rainy has explained fully to the House how far we went to lower our qualifications, to remove age restrictions and other restrictions, in order to get young Indians to come forward to fill these posts. We did not ask for a limited number of candidates to come forward, we asked for as many as we could get. We had on our State-managed railways eight vacancies. It was our intention, if

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we got more than eight, to endeavour to get Company-managed lines to take some, because they have themselves put but few Indians into those posts. Unfortunately we got only seven qualified candidates. We propose again this year, and in the next year, to continue to call for applicants for these posts. I have personally gone out of my way to see a few of the young men who applied this year and were not qualified. I have pointed out to them where their defects lay and I have asked them especially in the remaining time between now and the next call for vacancies to try and supplement their qualifications, so that next time they may be qualified. I will appeal to the Members on the other side of the House that, if they know of any young men who are almost qualified under the terms of that advertisement, to give them advice how to supplement their qualifications so that next year they may be qualified to come into these posts, because, if we do not get the full number that we require until our apprentice scheme brings fruit, we shall still not be able to get the full 75 per cent. Indian recruitment. But we will do something more. In order to make good this deficiency on the Mechanical Engineering and Transportation (Power) side, we have transferred, now and then, officers from our Civil Engineering side, to the Mechanical Engineering side. If we have found that an officer in the Civil Engineering side has an aptitude for Mechanical Engineering work, or can efficiently perform the duties of Transportation (Power) officer, we have transferred him to the other side, in order to increase the vacancies on the Civil Engineering side, simply because we know that we can get the full 75 per cent. proportion of Civil Engineering officers in this country. We shall continue that process to make up deficiencies. But, Sir, I do not want to mislead the House. I do not want the House to think that we have a large number of Civil Engineers who can take on the duties of Mechanical Engineers and the duties of officers for the Transportation (Power) Departments.

There is only one other observation, before I leave this subject of the recruitment to our superior services. I make it because I think there is a genuine misapprehension, on the part of some of the Members on the opposite Benches, about a statement I made that we had recruited 71 per cent. of our vacancies. I think some of the Members on the opposite Benches think that I said that we had not got 71 per cent. Indians in our services. That is not the case. We naturally could only recruit against vacancies.

I am not going to say a word about appointments which carry salaries of less than Rs. 250 per mensem. But I do think I ought, because of the remarks that have fallen from the other side of the House, to supplement the observations that I made the other day in regard to employees, who occupy posts which carry salaries above Rs. 250, in order that I may make the position which Government takes up in this matter quite clear. Government's position in this matter is that there shall be no racial discrimination and,—forgive me for going on to a subject which I know you do not like,—there shall be no communal discrimination,—absolutely none whatever. We will promote to these appointments, on consideration of their qualifications, with due regard to seniority and with no racial or commercial discriminations. A man must first be efficient to discharge the duties of the post which is vacant, and we will take into account his seniority. Purely to meet the point about racial discrimination in these posts I wish to read just a few figures to the House. I wish to compare

the total figures relating to the number of such posts held by Europeans in 1925, with those in 1929, and the corresponding figures of Indians.

	1925.	1929.
Number of posts	7,822	8,941 (an increase of 1,119).
Europeans	2,412	2,051 (a drop of 361).
Indians	5,410	6,890 (an increase of 1,480).

The House will see that the increase under "Indians" *i.e.*, 1,480 was greater than the total increase in the number of posts which was 1,119.

I quite realise, Sir, that, in some matters, this House feels, or some Members of the House feel, that while Government and the Railways have from time to time claimed, particularly in this matter of our higher posts and posts like apprentices in our workshops, that there is, in theory, no racial discrimination, there has been racial discrimination in practice. Sir, I have, with a due sense of my responsibilities, paid every attention to the remarks that have been made in this House on that score. I take for instance, Sir, the case of the apprentices in our mechanical workshops, and say definitely that my preliminary examination of the question led me to believe that there was racial discrimination. There was communal discrimination in the way these apprentices were dealt with, both as regards their recruitment and as regards their appointment after they qualified themselves. I do not want to disguise it at all, and I wish to take this occasion to acknowledge the very helpful assistance that I obtain in my examination of this matter by the very searching questions put in this House by my Honourable friend Mr. S. C. Mitra. Now, Sir, we did not leave the question where it was. The matter has been very thoroughly examined. The whole of the facts have been sifted by the Railway Board and placed before my Honourable friend, Sir George Rainy. He has decided that new rules of recruitment shall be drawn up for all our State Railway Workshops in India. Details of the rules for recruitment and for appointment after recruitment are ready, and it is our intention to discuss them with the Central Advisory Council for Railways before we promulgate them. We want to discuss them with the Central Advisory Council because we want to get the benefit of their advice. There are some of the Members of the Council who are in close contact with these questions. We do not want to pretend that we know all about the subject and we want to get their advice and we will give very careful attention to the advice that we receive. I would like just to read one little portion of the notes that we had prepared in connection with the apprentices' scheme.

"In the rules relating to the recruitment and training of all classes of apprentices, care will be taken to ensure that there is no racial discrimination and the rules prescribed for State-managed railways will be circulated to Company-managed railways with a view that their method of recruitment and training of apprentices be investigated, with a view to placing matters on an entirely satisfactory footing and to removing any vestiges of racial discrimination that may exist either in the rules or in their practical application."

Mr. B. Das: I thank you for the change in the rules. It is the Kharagpur Workshop of the Bengal Nagpur Railway.

Mr. A. M. Hayman: If we fail, it is not that we do not want to do the right thing. That is not all. I have here a complete memorandum prepared for all our staff of the subordinate services. It is not yet ripe to put it in

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a final shape before Government and therefore it is not ripe to be discussed by the Central Advisory Council. I propose to discuss these rules in all their details, in all their bearings, with the Agents of the railways when they come here next month. The rules have been sent to the Agents of the railways and they will study them and bring their difficulties with them. In sending out these rules, I have searched all the records of the Assembly and put down the representations made against our existing procedure. I have also had the newspapers read for two or three years, and extracts made of articles regarding our methods of recruitment. We are going to make an honest attempt to face the complaints that have been made against us.

I will pass on to the notes that I have made while listening to some of the previous speakers, and, in the short time available to me, I shall attempt to answer some of them. I take, Sir, first the point which I considered to be really very relevant to the motion moved by my Honourable friend opposite, and that is with regard to the question of racial discrimination. The case that I want to say a few words on is the reference made by Colonel Gidney regarding the practice of railways of getting covenanted men to our workshops. I think, Sir, that Colonel Gidney did quite rightly by bringing up this question. But I do not think he was absolutely fair to us, because he omitted to refer to some portions of an important communication that we sent to him. It is an important one and I wish to read to the House the important parts:

"The Railway Board being anxious, in accordance with their policy, to confine the recruitment of subordinates from England to cases where the efficiency of work would suffer appreciably unless persons possessing the requisite qualifications were obtained for particular posts, decided that only 6 Chargemen, specialists, should be obtained from England on a five years' contract. The number has since been reduced from 6 to 4."

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"This policy is followed in order to avoid recruitment from outside India, except occasionally, when specialists in highly technical grades and with experience of modern methods of properly equipped shops are required for the efficient conduct of workshop operations."

Now, Sir, Colonel Gidney while on this subject referred to the statement made to the Press by Mr. Wrynch. Is that correct?

Mr. President: Order, order.

Mr. A. M. Hayman: Let us give credit where credit is due, and if our railway workshops have lately attained that position that they are equal or second to none in the world, let us give the credit to these covenanted foremen, who come out to us with up-to-date methods and up-to-date knowledge of modern shops in other countries. However, to remove one misapprehension that Colonel Gidney has in this connection, I would explain that when we bring a person out from England to a particular post, we bring him in the pay of the post; it may be that because of the age or the qualifications of the person, we sometimes give him a higher minimum initial pay than the minimum pay of the post. But this is a practice we follow when we have to recruit an expert in India who might be of Indian domicile. But I challenge my Honourable and gallant friend Colonel Gidney, Sir, and I assert that the statement that he made that we bring out these covenanted chargemen on salaries twice the salaries that we pay to people doing corresponding work in India is without foundation.

Lieut.-Colonel H. A. J. Gidney: I accept the challenge and am prepared to now prove my statement. I . . . . .

Mr. President: Order, order.

Mr. A. M. Hayman: Sir, I would give way to the Honourable friend, Colonel Gidney, but for the fact that time is very short, and I want to give some reply to the statements made by my Honourable friend, Mr. Kunzru. I only want to say one thing more about Colonel Gidney's remarks, and it is because I feel that I ought to say it in justice to our subordinate employees. Colonel Gidney said that we had removed an old back-door practice of ours by issuing instructions to our Agents that adverse remarks made about superior officers should be communicated to the officers at the time, and that we had not yet stopped our bad practice as we had not done anything of the kind for the subordinate service. Now, this question attracted the attention, some time ago, of this House. It was raised, very properly raised, by my Honourable friend, Maulvi Muhammad Yakub. Here is the reply that we gave to the Honourable the Deputy President:

"I am directed to state that the practice in force on all Railways, except the Burma and Assam Bengal Railways, is to obtain and consider the explanation of an employee before a decision is arrived at to record an adverse remark in his service record; and the employee concerned is advised of the entry recorded against him."

That, Sir, even goes beyond what we do for our officers. It says here, "We obtain and consider the explanation of an employee before we make an adverse remark against him". There are instances, in ordinary practice, where we make adverse remarks against our officers without first obtaining their explanation. We wrote to the Burma Railways and the Assam Bengal Railway, pointing out to them the practice in other railways and suggesting to them that they should follow suit.

Mr. M. S. Aney: Are you sure that it is the practice in other railways?

Mr. A. M. Hayman: If the Honourable Member will bring to our notice any instance where it is not the practice, we shall see that the orders of Government are carried out.

Sir, my Honourable friend Mr. Kunzru made several detailed remarks to prove that there was racial discrimination in practice in several matters. In a way, Sir, I have really pleaded guilty to some extent.

One of the cases Mr. Kunzru referred to was that of workshop apprentices. I know also that he feels keenly on the subject of the appointment of guards and drivers to the higher paid posts of these ranks. As time is short, I offer to show him personally at my office that I have been pursuing that question with vigour for the last ten months; I offer to show him what the several railways have done. I think the North Western Railway have during the last twelve months made a very decided move forward in this direction. The Eastern Bengal Railway, Sir, has done fairly well. (*An Honourable Member*: "What about the East Indian Railway?") So also the East Indian. The Great Indian Peninsula Railway, I admit, has practically done nothing at all, but I am in correspondence with the Agent on this matter, and I am going to find out what his difficulties are, and I am going to make a serious attempt to see why he cannot do what the others have done and are doing. My Honourable friend made a point—and a good point too, I think,—that Sunday allowances were allowed to one class and were not allowed to another class. I promise him that I shall get the

[Mr. A. M. Hayman.]

papers and see that justice is done in this matter. I would like, Sir, to make a remark in connection with the complaint that there is racial discrimination in the matter of the allotment of residential houses to subordinate employees. I have a distinct recollection that orders have issued because, I moved a good deal to get those orders issued some time ago to our State-worked railways, that every quarter was to be allotted to a post and was not to be allotted to any individual or to any community. It was to be allotted to a post, and the holder of that post was entitled to live in that house no matter to what community he belonged. I will have the practical application of those orders looked into, and if they are not being followed, I will give my Honourable friend my assurance that it will not be long before they are given effect to on State-managed railways.

My Honourable friend also referred to the Staff Benefit Fund. Sir, my Honourable friend, Sir George Rainy, explained briefly the other day that we have come to the stage where complete rules for the Staff Benefit Fund have been drawn up; we are at the stage, Sir, where we have necessarily to consult other Departments of the Government of India who control labour forces, Department like the Industries and Labour Department, and we also have to consult other Departments who are concerned. For this reason we have decided that the Staff Benefit Fund shall come into force on the 1st April, 1931, and then, Sir, I would like to emphasize that the Fund is going to be run on lines whereby the men themselves will have a deciding voice, subject only to the veto of the Agents,

5 P.M. as to how the money in the Fund is to be spent.

(It being then Five of the Clock.)

Mr. President: Order, order. The question is:

"That the Demand under the head 'Railway Board' be reduced by Rs. 100."

An Honourable Member: No.

Another Honourable Member: It is too late.

Mr. President: Honourable Members must make up their minds whether they desire a division or not.

Several Honourable Members: No.

The motion was negatived.

Mr. President: The question is:

"That a sum not exceeding Rs. 12,90,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Railway Board'."

The motion was adopted.

DEMAND No. 2—INSPECTION.

Mr. President: The question is:

"That a sum not exceeding Rs. 2,50,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Inspection'."

The motion was adopted.

DEMAND No. 3—AUDIT.

Mr. President: The question is:

"That a sum not exceeding Rs. 17,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Audit'."

The motion was adopted.

DEMAND No. 4—WORKING EXPENSES: ADMINISTRATION.

Mr. President: The question is:

"That a sum not exceeding Rs. 13,88,50,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Working Expenses: Administration'."

The motion was adopted.

DEMAND No. 5—WORKING EXPENSES: REPAIRS AND MAINTENANCE AND OPERATION.

Mr. President: The question is:

"That a sum not exceeding Rs. 41,10,25,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Working Expenses: Repairs and Maintenance and Operation'."

The motion was adopted.

DEMAND No. 6—COMPANIES AND INDIAN STATES' SHARE OF SURPLUS PROFITS AND NET EARNINGS.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,22,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Companies and Indian States' share of surplus profits and net earnings'."

The motion was adopted.

DEMAND No 9—APPROPRIATION TO DEPRECIATION FUND.

Mr. President: The question is:

"That a sum not exceeding Rs. 13,25.00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Appropriation to Depreciation Fund'."

The motion was adopted.

DEMAND No. 10.—APPROPRIATION FROM DEPRECIATION FUND.

Mr. President: The question is:

"That a sum not exceeding Rs. 8,50,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Appropriation from Depreciation Fund'."

The motion was adopted.

DEMAND No. 11—MISCELLANEOUS.

Mr. President: The question is:

"That a sum not exceeding Rs. 17,30,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Miscellaneous'."

The motion was adopted.

DEMAND No. 12—APPROPRIATION TO THE RESERVE FUND.

Mr. President: The question is:

"That a sum not exceeding Rs. 33,95,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Appropriation to the Reserve Fund'."

The motion was adopted.

DEMAND No. 14—WORKING EXPENSES AND MISCELLANEOUS (STRATEGIC LINES).

Mr. President: The question is:

"That a sum not exceeding Rs. 1,63,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Working Expenses and Miscellaneous (Strategic Lines)'."

The motion was adopted.

Expenditure charged to Capital.

DEMAND No. 7—NEW CONSTRUCTION.

Mr. President: The question is:

"That a sum not exceeding Rs. 4,98,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'New Construction'."

The motion was adopted.

DEMAND No. 8—OPEN LINES WORKS.

Mr. President: The question is:

"That a sum not exceeding Rs. 11,49,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Open Lines Works'."

The motion was adopted.

DEMAND No. 15—NEW CONSTRUCTION AND OPEN LINE WORKS (STRATEGIC LINES).

Mr. President: The question is:

"That a sum not exceeding Rs. 25,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'New Construction and Open Line Works (Strategic Lines)'."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 27th February, 1930.

LEGISLATIVE ASSEMBLY.

Thursday, 27th February, 1930.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

MEMBERS SWORN:

Sir Cowasji Jehangir (Junior), K.C.I.E., O.B.E., M.L.A. (Bombay City: Non-Muhammadan Urban);

Rao Bahadur B. L. Patil, M.L.A. (Bombay Southern Division: Non-Muhammadan Rural); and

Chaudhury Khaliquzzaman, M.L.A. (Lucknow and Fyzabad Divisions: Muhammadan Rural).

QUESTIONS AND ANSWERS.

THE SYSTEM OF *BEGAR*.

398. *Mr. Gaya Prasad Singh: (*a*) Is it a fact that the system of *begar* (forced labour) obtains in parts of British India, and has the attention of the Government been drawn to the following extract from a speech delivered by the Agent to the Governor General in reply to an address given him by the Kotah Durbar (Rajputana) in 1923:

"Even in British India *begar* is not evidence of the wickedness of the system of administration. In olden days, supplies and fodder and so forth were freely given to touring officers as a sign of affection and hospitality and gratitude for protection and help in times of trouble. Abuses have no doubt crept in, and the system of administration has become less dependent on the personal factor; and the institution has had to be curtailed. But I for one should be very sorry if it were completely abolished even in British India."

(*b*) In what parts of British India is the system of *begar* prevalent, and what steps have Government taken, or propose to take to put a stop to it?

(*c*) Has not the League of Nations declared forced labour to be illegal, and is not India a signatory to the Resolution?

Sir Frank Noyce: (*a*) Forced labour, in return almost invariably for cash remuneration, is permissible in British India in certain cases, principally of grave emergencies and danger to life and property from irrigation works and embankments. The speech to which the Honourable Member refers has come to the notice of Government as a result of this question.

(*b*) Full information has already been furnished either to this House or to the Council of State in respect of the system of *begar* or forced labour so far as it prevails in various provinces in India. I would invite the Honourable Member's attention to:

(i) the reply given in the Legislative Assembly on the 11th February, 1924, to the Honourable Mr. V. J. Patel's question No. 276;

(ii) the reply given in the Council of State on the 12th September, 1927, to the Honourable Sir Harcon Jaffer's question No. 116, and

(iii) the reply given to Khan Bahadur Sarfaraz Hussain Khan's question No. 156 in the Legislative Assembly on the 1st March, 1928.

(*c*) I presume that the Honourable Member refers to the Slavery Convention adopted by the League of Nations in 1926. Under Article 5 of this Convention, the High Contracting Parties undertake, each in respect of its territories, to prevent compulsory or forced labour from developing into conditions analogous to slavery. The Convention does not prohibit compulsory or forced labour levied for public purposes. It was signed on behalf of India with certain reservations.

Mr. Lalchand Navalrai: Will the Honourable Member be pleased to say whether the *begar* system, in whatever form it prevails at present, exists on account of the hospitality, gratitude or affection of the people, or is it enforced by Government officials under compulsion?

Sir Frank Noyce: I should like to have notice of that question, Sir.

Mr. B. Das: Is it not a fact, Sir, that the representative of the Government of India on the Forced Labour Committee at Geneva stated that the Government of India do not support forced labour in any way?

Sir Frank Noyce: I have no information, but I am content to accept the Honourable Member's statement.

Mr. Lalchand Navalrai: Will the Honourable Member please state whether the Government of India are also of the same opinion as that of the Agent to the Governor General in Kotah that he would be sorry if the *begar* system were ever abolished completely?

Sir Frank Noyce: No, Sir.

Mr. Gaya Prasad Singh: What steps have Government taken with regard to the discontinuance of this system as indicated in the answer given to my starred question No. 393, dated the 11th September, 1929?

Sir Frank Noyce: I am sorry, Sir, I have not the Honourable Member's starred question in mind.

Mr. Gaya Prasad Singh: Then how can you expect me to bear in mind the answers to which you have referred in your reply?

Mr. M. S. Aney: Does the Honourable Member understand the difficulties of Honourable Members on this side when he merely makes reference to replies to starred questions of such and such a date in such and such a year?

Mr. B. Das: May I ask another supplementary question, Sir?

Mr. M. S. Aney: Is there no reply to my question, Sir?

Sir Frank Noyce: I beg your pardon?

Mr. M. S. Aney: Have the Government realised the difficulty of Members on this side understanding the replies given by Government to questions put from this side whenever Government Members make references to their replies to certain starred questions given on such and such a date and published in such and such a Volume?

Mr. B. Das: May I ask one other question, Sir?

Mr. M. S. Aney: Do they realise or do they not realise our difficulties, that is what I want to know?

Mr. President: Mr. B. Das. Next question.

REPORT OF THE TARIFF BOARD ON SALT MANUFACTURE.

399. ***Mr. B. Das:** Will Government be pleased to state if the Report of the Tariff Board on salt manufacture in India will be available to this House before it discusses the budget demand in respect of "salt" or before the House discusses the Finance Bill?

The Honourable Sir George Rainy: The Tariff Board have not yet submitted their Report.

PROMOTIONS IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

400. ***Mr. Muhammad Rafique:** (*a*) Is it a fact that Mr. Mitra has given, in his Report on the seniority of Railway Clearing Accounts Office staff, a list of seventeen men who have been given too rapid promotions?

(*b*) Is it also a fact that some other cases, in which the promotions were more rapid than those mentioned in the list, have been overlooked? If so, why?

Mr. A. A. L. Parsons: (*a*) Yes, but Mr. Mitra enumerated in the same Report the reasons which led to the too rapid promotions and accepted them as sufficient for not reversing the promotions.

(*b*) No.

SALARIES IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

401. ***Mr. Muhammad Rafique:** (*a*) With reference to the reply given to question No. 915 on the 25th September, 1928, will the Government be pleased to state on what date the competitive examination for recruitment of the clerical staff was held by the Controller of Railway Accounts before 1929?

(*b*) Under what rules were the men appointed from 1925 to 1928 given high salaries in the Railway Clearing Accounts Office?

Mr. A. A. L. Parsons: (*a*) No competitive examination for recruitment of the clerical staff was held before 1929.

(*b*) Prior to the introduction of competitive examination, the officer in charge of the Clearing House experiment and the Director, Railway Clearing Accounts Office, like other Heads of Offices, were empowered to recruit staff under powers delegated to them.

PROMOTIONS IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

402. ***Mr. Muhammad Rafique:** Will Government be pleased to state the reasons why one Mr. Mangal Das has been given an officiating chance of a senior Accountant, while a Muslim, B.A., LL.B., who has passed the Calcutta Training Accounts Class Examination, is still working as a clerk in the Railway Clearing Accounts Office ? Is it a fact that the former is an unqualified man?

Mr. A. A. L. Parsons: It is not a fact that Mr. Mangal Das (who has also passed the Training Class examination) has been promoted as officiating Senior Accountant?

RECRUITMENT OF THE STAFF OF THE RAILWAY CLEARING ACCOUNTS OFFICE.

403. ***Mr. Muhammad Rafique:** (*a*) Is it a fact that the recruitment and selection for the Railway Clearing House experiment was done by Mr. W. H. Scott and Rai Bahadur Faqir Chand, as stated by Mr. Mitra in his seniority Report, and the only qualification required for recruitment was the confidence of these officers?

(*b*) Is it not against the statement made by the Financial Commissioner, Railways, on the floor of this House that the recruitment is made by the Director and that the Rai Bahadur has no hand in it?

Mr. A. A. L. Parsons: (*a*) Prior to the introduction of the new rules of recruitment, the responsibility for the selection and recruitment of staff for the Railway Clearing Accounts Office rested entirely with the Director. It was open to him, as to other heads of offices, to avail himself of the help of his assistants, if he desired to do so.

(*b*) No.

APPOINTMENT OF ACCOUNTANTS IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

404. ***Mr. Muhammad Rafique:** (*a*) Is it a fact that nine unqualified accountants were taken in the Railway Clearing Accounts Office?

(*b*) How many of them were Muslims?

Mr. A. A. L. Parsons: (*a*) Five of the nine accountants referred to by the Honourable Member came in as such with the staff transferred to the Clearing Accounts Office from other Railways, the other four were promoted from the office under the rules then in force, in the absence of passed men in the office.

(*b*) Two were Muslims and one was a Sikh.

STAFF EMPLOYED FOR THE RATES REGISTER EXPERIMENT.

405. ***Mr. Muhammad Rafique:** Will Government be pleased to state the present total strength of the staff employed in connection with the Rates Register Experiment in different grades and how many of them are Muslims?

Mr. A. A. L. Parsons: I lay on the table a statement giving the information required.

Statement showing the staff employed in the Rates Register Experiment.

Particulars of staff.	Source from which taken.							Communities to which belong.								
	C. A. O.	Other Offices.						Hindus.		Mohammadans.		Sikhs.		Christians.		
		Audit Office C. A. O.	N. W. Railway.	S. P. Railway.				Total.								
					Newly Recruited.	Transferred.	Total.									
1. Accounts Officer, Gr. I (800—50—1,350 *plus* special pay of Rs. 250).	1	:	:	:	:	:	:	1	1	:	:	:	:	:	:	1
2. Assistant Accounts Officers (350—30—800).	2	:	:	:	:	2	2	2	2	:	:	:	:	:	:	2
3. Accountants, Grade I (290—20—450).	2	:	:	:	:	2	2	2	1	:	1	:	:	:	:	2
4. Accountants, Grade II (150—15—270).	2	:	:	:	:	2	2	2	2	:	:	:	:	:	:	2
5. Senior Sub-head (130—8—170—10—200).	1	:	:	:	:	1	1	1	1	:	:	:	:	:	:	1
6. Junior Sub-head (130—8—170).	14	1	:	:	:	15	15	13	13	2	2	:	:	:	:	15
7. Clerks, Class I (100—5—120).	20	:	1	2	:	23	23	20	20	1	1	2	2	:	:	23
8. Clerks, Class II (60—5—90).	9	:	:	:	:	9	9	7	7	2	2	:	:	:	:	9
9. Clerks, Class III (40—4—80).	12	:	:	:	7	:	7	17	17	2	2	:	:	:	:	19
10. Punchers (36—2—60).	4	:	1	:	39	5	44	28	28	12	12	2	2	2	2	44
11. Care-taker (Rs. 80 fixed).	:	:	:	:	1	:	1	:	:	:	:	:	:	1	1	1
Total .	67	1	2	2	47	59	119	92	92	19	19	6	5	3	3	119

* Newly recruited staff 47 47

OFFICE HOURS IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

406. ***Mr. Muhammad Rafique:** (*a*) With reference to the reply given to question No. 668, on the 19th February 1929, will Government be pleased to state the reasons for increasing the office hours by half an hour when in all audit offices before and after the introduction of the Clearing House Experiment, and even in the Railway Board and other Government offices the office hours are from 10 to 4 or 10-30 to 4-30 with an interval of half an hour?

(*b*) Do Government propose to reduce it by half an hour? If not, why not?

Mr. A. A. L. Parsons: (*a*) The working hours are only six as in other accounts offices in Delhi.

(*b*) No.

APPOINTMENT OF RAI BAHADUR FAQIR CHAND IN CONNECTION WITH THE RATES REGISTER EXPERIMENT.

407. ***Mr. Muhammad Rafique:** (*a*) Is it a fact that Rai Bahadur Faqir Chand has been appointed as an officer on special duty in connection with the Rates Register Experiment and that he has been empowered to recruit men for the same office?

(*b*) What special allowance has he been given?

Mr. A. A. L. Parsons: (*a*) The Honourable Member is referred to the reply given to his starred question No. 245 on the 5th February, 1930.

(*b*) A special pay of Rs. 250 per mensem.

APPOINTMENT OF MUSLIM CLERKS IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

408. ***Mr. Muhammad Rafique:** Will Government be pleased to state:

(*a*) How many men appeared in the Railway Clearing Accounts Office Clerks Class 1 Examination recently?

(*b*) How many of them passed and what was the number of the Muslims?

(*c*) What is the number of vacancies in that grade?

(*d*) How many of them have been reserved for the members of the minority communities?

Mr. A. A. L. Parsons: (*a*) 165, of whom 14 were Muslims.

(*b*) 51 men passed, of whom four were Muslims.

(*c*) *Nil* at present.

(*d*) There is no reservation of posts in higher grades for promotion of members of minority communities.

APPOINTMENT OF MUSLIMS IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

409. ***Mr. Muhammad Rafique:** Will Government be pleased to state:

(*a*) How many vacancies occurred from 1st September 1928 to 31st December 1929 in the Railway Clearing Accounts Office?

(*b*) How many of them were filled by Muslims?

Mr. A. A. L. Parsons: (*a*) The information is being collected and will be furnished to the Honourable Member in due course.

(*b*) The Honourable Member is referred to the reply given to a similar question No. 875 in the Simla Session of 1928, asked by the Honourable Member, Mr Abdul Matin Chaudhry.

PROMOTIONS IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

410. ***Mr. Muhammad Rafique:** (*a*) Is it a fact that Mr. Mitra has given in his Report (on the seniority of Railway Clearing Accounts Office staff), a list of 17 men who have been given too rapid promotions?

(*b*) Is it a fact that out of that list only one is a member of minority communities?

(*c*) Will Government place a copy of that Report in the Library?

Mr. A. A. L. Parsons: (*a*) and (*b*). Yes.

(*c*) A copy of the Report is available in the Library of the House.

APPOINTMENT OF ACCOUNTANTS IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

411. ***Mr. Muhammad Rafique:** (*a*) Is it a fact that nine unqualified men were appointed as accountants who had not passed any examination (as mentioned in para. 7 of Mr. Mitra's Report on the seniority of Railway Clearing Accounts Office staff)?

(*b*) Is it a fact that out of that number only one was a Muslim?

(*c*) If the answer to parts (*a*) and (*b*) be in affirmative, what action was taken by the Government to redress communal inequalities when, according to the Government of India circular, 33 per cent. of the posts ought to have been reserved for the minorities and the remaining distributed proportionately?

(*d*) What action do Government propose to take against those who do not follow the policy laid down by Government?

Mr. A. A. L. Parsons: (*a*) and (*b*). The Honourable Member is referred to the answer which I have just given to his question No. 404.

(*c*) The percentage prescribed for the minority communities is to be observed in initial recruitment and not in making promotions amongst the staff, although in this particular case, three out of the nine men referred to belonged to the minority communities.

(*d*) Does not arise.

RESERVATION OF POSTS FOR MINORITY COMMUNITIES IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

412. ***Mr. Muhammad Rafique:** Did Mr. Mitra in his Report on the seniority of Railway Clearing Accounts Office staff recommend that there should be a certain percentage in the higher grades reserved for minorities?

Mr. A. A. L. Parsons: No.

PASSENGER FARES IN THE INDIAN STATE AIR SERVICE.

413. ***Mr. K. C. Neogy:** (*a*) With reference to the passenger fares prescribed for the Indian State Air Service, and the prescribed free allowance of 221 lbs., including a passenger's own weight, have Government considered the possibility of cases in which the weight of individual passengers may exceed 221 lbs.?

(*b*) If so, will the excess weight of such a passenger be charged for at excess luggage rates or at freight rates?

(*c*) In the case of a couple, married or otherwise, booked together, will the average weight of each determine the fare?

The Honourable Sir Bhupendra Nath Mitra: (*a*) Yes.

(*b*) At excess luggage rates.

(*c*) Individual passages only can be booked.

Mr. Gaya Prasad Singh: Are Government aware that there are some Honourable Members in this House whose own weight exceeds that prescribed in the schedule of the State Air Service? (Laughter.)

The Honourable Sir Bhupendra Nath Mitra: I shall be disinclined to subscribe to that statement.

REPORT OF THE CONFERENCE ON DOMINION AND MERCHANT SHIPPING LEGISLATION.

414. ***Mr. Sarabhai Nemchand Haji:** (*a*) Will Government please state if they have received the Report of the Conference on Dominion Legislation and Merchant Shipping Legislation?

(*b*) What steps have Government taken to obtain non-official Indian opinion on the various sections of the Report?

(*c*) Regarding the part of the report dealing with Merchant Shipping Legislation, have Government invited the opinion of the Indian National Steamship Owners' Association?

The Honourable Sir George Rainy: (*a*) Yes.

(*b*) The Report has been published and copies have been supplied to Members of the Indian Legislature and commercial bodies.

(*c*) The Indian National Steamship Owners' Association has also been supplied with a copy of the Report.

Mr. Sarabhai Nemchand Haji: May I ask a supplementary question, Sir? Were the opinions of these bodies invited on this Report at the time when they were furnished with copies of the Report? Was it indicated to them that Government desired to have their opinions on the subject matter of that Report?

The Honourable Sir George Rainy: No, Sir; but I have not the least doubt that commercial bodies do hold opinions on this matter, and they will not hesitate to communicate their opinions to the Government of India.

LOADLINE OF MERCHANT SHIPS.

415. ***Mr. Sarabhai Nemchand Haji:** (*a*) Has the attention of Government been drawn to the Report of the Committee on Loadline of Merchant Ships recently issued in London?

(*b*) Will Government please state the steps they have taken to invite the opinion of Indian shipowning interests on the Report of the Loadline Committee?

(*c*) Is it a fact that the Board of Trade propose to summon an international conference to consider the above-mentioned Report to get international agreement on the subject of loadline of steamers?

(*d*) Will Government please state if India has been invited to participate in the deliberations of the proposed conference; if so, what arrangements do they propose to make to associate Indian shipping interests with the deliberations of the conference?

The Honourable Sir George Rainy: (*a*) Government have received a copy of the Report through the India Office.

(*b*) The opinion of shipping interests in India will be invited on the receipt of further copies of the Report.

(*c*) Yes.

(*d*) The answer to the first part is in the affirmative. As regards the latter part, the representation of India at the Conference is under consideration.

Mr. Sarabhai Nemchand Haji: When Government consider the representation of India at this Conference, will they consider the desirability of getting genuine Indian national representation at this Conference?

The Honourable Sir George Rainy: They will certainly consider the question of giving representation to Indian steamship companies.

Mr. Sarabhai Nemchand Haji: Will Government further see to it that under the term "Indian Nationals" they will not include European interests, as has been the practice of late?

The Honourable Sir George Rainy: The matters, Sir, which will be dealt with at this Conference, are very technical, and one of the points which the Government of India will have to take into consideration is that their delegation should be adequately organised in that respect.

TENDERS FOR THE SUPPLY OF STONE BALLAST FOR THE NORTH WESTERN RAILWAY.

416. ***Lala Rang Behari Lal:** (*a*) Will Government be pleased to state if it is a fact that, in September 1928, the Divisional Superintendent, North Western Railway, Delhi, had called for tenders for the supply of 22 lakhs of stone ballast from the Mochibagh and Delhi Kishenganj quarries, of which one was given to the lowest tenderer, whereas the other was not given to the lowest tenderer, although it was of the firm which had been supplying ballast to the North Western Railway for the last 15 years?

(*b*) If the reply to part (*a*) be in the affirmative, are Government aware that the tender of another firm was recommended and accepted by the Agent, although it was 0-12-0 per one hundred cubic feet higher and, if so, will Government state the reason?

(*c*) Will Government be pleased to state if it is a fact that the tender which was not accepted was of a firm who were the recipients of a bonus of 2½ per cent. for supplying in a remarkedly short time?

Mr. A. A. L. Parsons: With your permission, Sir, I should like to answer this and questions Nos. 417 and 418, together.

I am calling for an urgent report from the North Western Railway Administration and will communicate with the Honourable Member as soon as it has been received.

CONDITIONS OF TENDER FOR STONE BALLAST FOR THE NORTH WESTERN RAILWAY.

†417. ***Lala Rang Behari Lal:** (*a*) Will Government be pleased to state if the two principal conditions of the tender and contract referred to in the preceding question were that:

(1) Measurements of 13″ in depth would be considered as 12″, and

(2) Time was of the essence of the contract?

(*b*) If the reply to part (*a*) be in the affirmative, will Government be pleased to state why it was subsequently altered to 12″ in depth instead of 18″ to a foot? Did this cause a loss of 8½ per cent. to the Railway?

(*c*) Will Government be pleased to state if the contractor completed the said contract within the specified time or the time was extended?

(*d*) If the time was extended, what was the period of extension, and did the contractor complete the work in the extended period?

(*e*) If the reply to part (*d*) be in the negative, will Government be pleased to state if the said contractor's security was forfeited under rule 18, Part II, of the North Western Railway Handbook for works?

ORDERS FOR THE SUPPLY OF STONE BALLAST FOR THE NORTH WESTERN RAILWAY.

†418. ***Lala Rang Behari Lal:** (*a*) Are Government further aware of the fact that a circular was issued by the Agent, North Western Railway to subordinates not to give any further ballast supply contracts without tenders?

(*b*) If the answer to (*a*) be in the affirmative, will Government be pleased to state if they are aware that a further order was also given to the previous contractor to supply about 5 lakhs ballast, which cost about Rs. 40,000, without any tenders, although rule 1, Part I of the North Western Railway Works Handbook distinctly states that all works amounting to Rs. 25,000 or above will be let out by tenders?

†For answer to this question, *see* answer to question No. 416.

(*c*) If the reply to part (*b*) be in the affirmative, will Government be pleased to inquire why the conditions as laid down in the Handbook and also the circular letter of the Agent, were ignored and what action do Government propose to take in the matter?

NAUTICAL TRAINING IN ENGLAND AND IN INDIA.

419. ***Dr. B. S. Moonje:** (*a*) Are Government aware that there are six schools of nautical training in England and that the number of pupils by ages are as follows?

(i) Under 13 years of age	22
(ii) 13 and under 14 years of age	255
(iii) 14 and under 15 years of age	777
(iv) 15 and under 16 years of age	421
(v) 16 years of age and over	109
Total ..	1,584

(*b*) If the answer to part (*a*) is in the affirmative, what arrangements are made in India, in view of the Government proposals for expansion of the Royal Indian Marine and for establishing a Royal Indian Navy, for similar training of Indian boys? How many Indian boys, if any, are under similar training at present in India?

(*c*) Besides the ordinary book education, what other technical subjects are taught which form the speciality of the nautical training schools in England?

(*d*) Besides the ordinary book education, what other technical subjects are taught to Indian boys under training on the "Dufferin" ship to give a speciality of its own to it?

Mr. G. M. Young: (*a*) There are considerably more than six training institutions in the United Kingdom, the primary object of which is to train boys for the Royal Navy and the Mercantile Marine. Government have no precise information of the number of boys at present under training in those institutions or their ages.

(*b*) The training of boys in the Royal Indian Marine is carried out in the depot ship "Dalhousie" which is stationed at Bombay. There are at present 103 boys under training.

(*c*) The boys are given instruction in practical seamanship—including boat work, knots and splices, lead and log line, flags and signals, steering, anchors, cables, rockets, boat hoisting and lowering, barometer, thermometer, and aneroid, etc.

(*d*) Meteorology, Navigation, Nautical Astronomy, Seamanship and Magnetics.

ARTILLERY CAMPS FOR INSTRUCTION OF TERRITORIAL UNITS AND UNIVERSITY TRAINING CORPS.

420. ***Dr. B. S. Moonje:** (*a*) Has the attention of Government been drawn to a report appearing in the *Pioneer* of Saturday, the 1st February, 1930, page 14, of the Auxiliary Force camp of exercise and of its interesting and varied programme?

(*b*) If so, will Government be pleased to state how far are the Bhaghara Chatham Lines, where the Allahabad Auxiliary Force held from the 18th January, to the 26th January, their annual camp of exercise, from Matdeori, where the artillery annual practice camp was held on the 24th January, 1930, of the 19th Field Battery R. A., A. F. I., commanded by Captain W. S. R. Jervis?

(*c*) Was the Auxiliary Force camp associated, in any way with the artillery camp, so that the Allahabad Auxiliary Force might have an occasion to witness and learn artillery shooting?

(*d*) If so, do Government propose to arrange similar artillery camps for the benefit of the Territorial units and the University Training Corps?

Mr. G. M. Young: (*a*) Yes.

(*b*) About two miles.

(*c*) No, Sir. The force was camped together in the Chatham lines, but the other units did not witness the artillery practice, nor could they have learnt artillery shooting by doing so.

(*d*) Does not arise.

MUSKETRY SCHOOLS FOR THE UNIVERSITY TRAINING CORPS AND TERRITORIAL UNITS.

421. ***Dr. B. S. Moonje:** (*a*) Will Government please state if the small arms and musketry schools are open to men and officers of the University Training Corps and the several Territorial units?

(*b*) If so, will Government please state how many men and officers of these corps and units have so far received training in these schools?

Mr. G. M. Young: (*a*) and (*b*). Officers and men of the Indian Territorial Force are not debarred from training at the schools mentioned, but none have as yet undergone such training.

The courses last 11 weeks for non-commissioned officers and 6 weeks for officers. Applicants are required to pass a preliminary examination.

I am informed that there have been no applications during the last year from officers or non-commissioned officers of the Indian Territorial Force to attend these courses. Few officers, and still fewer non-commissioned officers, could afford the time, even if they have the inclination, to leave their ordinary avocations for these periods, in addition to their annual compulsory training. Those who can afford the time would increase their military efficiency very much more by attachment to a regular unit than by going in for specialist courses. Officers of the permanent staff of the University Training Corps and Indian Territorial Force Units are, however, trained at the schools with the object of passing, on the instruction that they receive to the personnel of their units.

Dr. B. S. Moonje: Supposing that officers of the University Training Corps apply for permission for training, will Government arrange for the training?

Mr. G. M. Young: That would depend upon whether there was a vacancy available at the school at the time.

Dr. B. S. Moonje: Supposing there is a vacancy available, will the Government make arrangements.

Mr. President: That is a hypothetical question.

TRAINING OF INDIANS IN AVIATION.

422. ***Dr. B. S. Moonje:** (*a*) Is it a fact that in England boys are recruited as officers in the Royal Air Force for what is called short service and are then trained at one of the Air Force flying schools?

(*b*) If so, is it a fact that most of these officers, after completing their short service, generally go in for civil aviation?

(*c*) If so, do Government propose to make similar arrangements for Indian boys?

Mr. G. M. Young: (*a*) Yes.

(*b*) No, Sir. Only a very minute proportion of short service Royal Air Force officers obtain employment in civil aviation after the termination of their active service. The large majority of them go into other professions.

(*c*) No, Sir. The object of the short service commission is to provide a reserve of pilots for war. All short service commissioned officers in the Royal Air Force serve for five years in the Royal Air Force Reserve after completing their active service. It is clearly necessary to establish a regular Indian unit before starting to create a reserve.

RECRUITMENT OF INDIANS TO THE ARMY EDUCATIONAL CORPS.

423. ***Dr. B. S. Moonje:** (*a*) Will Government be pleased to lay on the table a copy of the rules and regulations concerning recruitment to the Army Educational Corps?

(*b*) Do Government propose to institute recruitment to the corps preferably from Indian University men?

Mr. G. M. Young: (*a*) A copy of War Office Army Order No. 231, dated June 15th, 1920, containing the rules for appointment to the Army Educational Corps, has been placed in the Library.

(*b*) No, Sir. The Corps is part of the British Army, liable to serve in Great Britain and any other part of the world in which there are British troops, to whose educational needs it is intended to minister.

Dr. B. S. Moonje: Have Government got any scheme for starting an Educational Corps for the Indian Army?

Mr. G. M. Young: I should hardly like to answer that question without notice. There is no separate Indian Educational Corps: but the arrangements made for education in the Indian Army include the Army School of Education at Belgaum, where the teachers are trained.

ESTABLISHMENT OF AN INDIAN AIR SQUADRON.

424. ***Dr. B. S. Moonje:** (*a*) Do Government propose to establish an Indian air squadron in India at an early date?

(*b*) If so, when and how do Government propose to recruit officers and the rank and file for the squadron?

(*c*) How do Government propose to train the rank and file of the squadron?

Mr. G. M. Young: (*a*) Yes.

(*b*) The officers will be required to pass the qualifying examination for the Royal Air Force Cadet College at Cranwell and to go there for the normal course of training which takes two years. As the Honourable Member is aware, six Indian candidates have recently passed the examination. The rank and file will be recruited in India from suitable applicants of the artisan class as soon as the first batch of cadets go to Cranwell.

(*c*) The recruits for the rank and file will be sent to the Royal Air Force Aircraft Depot at Karachi, where they will receive specialist training in the maintenance of aircraft, engines, etc., under British instructors. Government hope, that after two years of such training, by which time the cadets will have completed their course at Cranwell, the rank and file will be sufficiently qualified to be posted to the first Flight of the Indian Squadron.

TRAINING OF INDIAN BOYS FOR THE AIR FORCE.

425. ***Dr. B. S. Moonje:** (*a*) Is it a fact:

(i) That in England one thousand boy apprentices or even more are required every year by the Royal Air Force;

(ii) That they are drawn mainly from secondary schools and other day and night schools;

(iii) That they are then trained for three years or more in the training schools of the Air Force as mechanics, pilots, aircraftmen, etc.;

(iv) That out of these trained boys, some are selected as non-commissioned officers, some are sent up to Cranwell for training as commissioned officers and the remainder are employed as rank and file in the Air Force; and

(v) That these boy mechanics and apprentices receive training for three or more years, along with general education, as Carpenter (Regger), Fitter (Aero Engine), in Electrical trades (Electricians and wireless operators) and a number of other important trades such as pattern making, coppersmiths' work, instrument making, turning, etc., at practically no cost to them?

(*b*) How do Government propose to give such preliminary training as airmen to Indian boys for preparing India to undertake the full responsibility for further development of aviation in India?

(*c*) Do Government propose to send a number of well selected boy mechanics and apprentices for training in England as British boys are trained, or to provide facilities for such training in India?

Mr. G. M. Young: (*a*) (i). Government have no exact information of the number of boys required annually for training as Royal Air Force apprentices, but the Honourable Member's figures are probably approximately correct.

(ii) I am told that the boys are drawn from all classes of schools, including public schools, but that most of them come from grammar schools, secondary and board schools.

(iii) Boy apprentices are not trained as pilots. They are trained for three years, either for general trades at Halton or for electrical or wireless trades at Cranwell.

(iv) Yes, but the numbers selected for the grant of cadetships at Cranwell does not exceed 12 a year.

(v) The Honourable Member's statement is generally correct, but the boys so trained enter into contracts to serve in the Royal Air Force in any part of the world for 12 years unless they purchase their discharge from the service within three months from entering it. To do so costs £20.

(*b*) Assuming that this part of the question refers only to the training of Indians for the Indian Air Squadron, the answer is that the necessary preliminary training will be provided in the Royal Air Force Aircraft Depot at Karachi.

(*c*) Indian boys can be fully trained as mechanics and apprentices in India. There is no necessity therefore to send them to England.

RECRUITMENT TO THE ARMY EDUCATIONAL CORPS AND SIMILAR SERVICES.

426. ***Dr. B. S. Moonje:** (*a*) Will Government be pleased to lay on the table copies of rules and regulations concerning recruitment of officers for the Corps of Military Accountants, the Army Pay Corps, the Army Educational Corps, the Army Medical Corps and the Army Veterinary Corps?

(*b*) Is it a fact that in England recruitment is also partly made directly from members of civil professions of these categories?

(*c*) Are Government aware that in England men holding University degrees are much preferred for recruitment as officers in the Army Educational Corps?

(*d*) If so, do Government propose to institute a similar practice in India?

Mr. G. M. Young: (*a*) and (*b*). The Government of India have no information regarding the first two Corps, which are not employed in India. Copies of the rules for the Army Educational Corps and the Royal Army Medical Corps have been placed in the Library. No copy of the rules for admission to the Royal Army Veterinary Corps is available. Most of the officers of the Army Educational Corps are taken from the regular Army, but Government understand that a few have been recruited from civil sources in the United Kingdom.

The answer to part (*b*), in respect of both the Royal Army Medical Corps and the Royal Army Veterinary Corps is in the affirmative. All the candidates are civilians.

(*c*) Government understand that the possession of a University Honours degree is considered a desirable qualification.

(*d*) There is no separate Educational Corps in the Indian Army, but educational training in the Indian Army is carried out by Indian military officers and non-commissioned officers, who are seconded from their units and specially trained at the Army School of Education in Belgaum. Government consider that the present system provides the best method of meeting the educational needs of the Indian Army.

RECRUITMENT OF OFFICERS FOR THE ARMY BY NOMINATION FROM UNIVERSITIES.

427. ***Dr. B. S. Moonje:** (*a*) Is it a fact that in England recruitment of officers for the Army is also made, in addition to admissions through

Woolwich and Sandhurst, by nominations from Universities and by transfer on passing the required examination from the Reserve and the Territorial Forces?

(*b*) Are Government aware that in England recruitment by nominations from Universities is much preferred for the reasons:

(i) That it avoids early specialisation through Woolwich and Sandhurst, thus ensuring a more liberal education;

(ii) That in many ways it admirably equips a man for administrative positions later in his career; and

(iii) That those who have exceeded the age limit for admission to Woolwich and Sandhurst and yet desire to seek a military career, can be given a chance?

(*c*) If so, do Government propose to establish a similar practice in India?

Mr. G. M. Young: (*a*) Yes, Sir.

(*b*) The Honourable Member has stated some of the advantages of the system of University Commissions, but its great value lies in the admixture of a comparatively small element of University men with the principal source of supply, which must continue to be found in the cadet colleges. It is not a fact that recruitment from the Universities is much preferred in the United Kingdom or that the bulk of Army officers could ever be obtained from that source.

(*c*) Not at present. I would draw the attention of the Honourable Member to the recommendations made in paragraphs 29 and 30 of the Indian Sandhurst Committee's Report.

CADET SCHOLARSHIPS.

428. ***Dr. B. S. Moonje:** (*a*) Are Government aware that in England cadet schoolarships are awarded to successful cadets, after each competitive examination, in the order of merit?

(*b*) If so, are Government prepared to establish similar scholarships for those Indian cadets also who are not sons of soldiers in the Indian Army?

Mr. G. M. Young: (*a*) The answer is in the negative. Cadet scholarships are awarded after the first year of instruction, and not after the competitive examination. They are restricted to the sons of military officers or of those who served in the army during the war.

(*b*) Does not arise.

Dr. B. S. Moonje: Have the Government any scheme for the establishment of scholarships for the sons of those who are not military men?

Mr. G. M. Young: Here, again, I hardly like to give an answer without notice, but I think there are some scholarships already which are not restricted to boys who are the sons of soldiers.

Dr. B. S. Moonje: What is their number?

Mr. G. M. Young: That, Sir, I certainly cannot answer without notice.

GRANT TO INDIANS OF SHORT SERVICE COMMISSIONS IN THE ROYAL AIR FORCE.

429. ***Dr. B. S. Moonje:** (*a*) Is it a fact that in England suitably qualified civilian candidates, who do not wish to make the Air Force their permanent profession, are accepted without examination, other than a medical one, for short service commissions for a period of four or five years and are then trained in Royal Air Force Flying training schools, and receive instruction in aviation and aeronautical military and technical subjects, so that, after acquiring a knowledge of flying, aero engines, mechanical engineering and allied matter, they may, after completing their four or five years' service as commissioned officers in the Royal Air Force, be fit for employment in the commercial aviation industry?

(*b*) If so, do Government propose to take Indians similarly for short service commissions?

Mr. G. M. Young: (*a*) and (*b*). The Honourable Member is referred to the answer to question No. 422. Although there is no specific entrance examination for short service commissioned officers, the Examining Board in England require to be satisfied that the candidates have received either a public school education or an education of an equivalent standard.

FORMATION OF AN INDIAN AIR FORCE.

430. ***Dr. B. S. Moonje:** (*a*) Has the attention of Government been drawn to the reply given by the Right Honourable Mr. Wedgwood Benn, Secretary of State for India, regarding the formation of an Indian Air Force?

(*b*) If so, do Government propose to introduce in India the practice in vogue in England of enlisting boy mechanics between the ages of 15 and 16½ years as rank and file and also as non-commissioned officers in the proposed Indian Air Force? Do Government propose to establish an Indian Air Force Medical Service? If so, when and how do Government propose to recruit officers for such a service?

Mr. G. M. Young: (*a*) Yes.

(*b*) The Honourable Member appears to be under some misapprehension. The Indians required as mechanics for the Indian Air Force will be trained in India in the manner described in the answer to his question No. 424. In England no facilities are provided at the public expense for the training of pilots or mechanics for civil aviation and it is not for the Royal Air Force in this country to provide training for that purpose. Government do not propose at this stage to form a separate Indian Air Force Medical Service.

Mr. K. C. Roy: May I inquire whether it is the intention of the Government of India to form an Indian Air Force?

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Mr. G. M. Young: Quite clearly so.

Mr. K. C. Roy: What will be the estimated cost?

Mr. G. M. Young: That will depend on the size to which the Force, ultimately expands.

CONTROL OF TRAVELLING TICKET INSPECTORS.

431. ***Mr. B. Das:** (*a*) Will Government be pleased to state the existing practice of control and direction of the Travelling Ticket Inspectors in the different State Railways?

(*b*) Is it a fact that the Travelling Ticket Inspectors, including the crew system, do usually work under the Accounts and Audit Department of most of the Railways?

(*c*) Will Government be pleased to state the reasons that led the North Western Railway to place in certain divisions its staff of Travelling Ticket Inspectors under the Traffic Department?

Mr. A. A. L. Parsons: (*a*) Travelling Ticket Inspectors on State-managed railways are under the control and direction of the Traffic Department except on the East Indian Railway where they are under the control of the Accounts Department of that Railway.

(*b*) No.

(*c*) Prior to September, 1927, the Travelling Ticket Inspectors on the North Western Railway were under the Audit Department. In September, 1927, it was decided to place these on four out of the seven Divisions of that Railway under the Traffic Department as an experimental measure. In January, 1928, it was decided to place all Travelling Ticket Inspectors on the North Western Railway under the Traffic Department.

IRREGULARITIES OF TRAVELLING TICKET INSPECTORS.

432. ***Mr. B. Das:** (*a*) Has the attention of Government been drawn to the articles in the *Hindu Herald* of Lahore of the 13th September, 1929, the 8th January, 1930 and the 20th January, 1930, regarding the irregularities of Travelling Ticket Inspectors and Head Travelling Ticket Inspectors of the North Western Railway, specially of the Delhi Division?

(*b*) Are Government aware that, while Head Travelling Ticket Inspectors in certain divisions travel in uniform while working, a few do not do so?

(*c*) Is it a fact that the Head Travelling Ticket Inspector of Delhi Division was drawing a daily allowance of Rs. 8 per diem or more while officers of superior services only draw Rs. 5 to Rs 6 as daily allowances?

(*d*) Is it a fact that there were allegations against the Head Travelling Ticket Inspector of Delhi Division for charging false mileage and drawing travelling allowances against rules? Has any departmental inquiry been made? If so, with what result?

Mr. A. A. L. Parsons: (*a*) Yes

(*b*) Yes.

(*c*) I am informed that the Head Travelling Ticket Inspector of the Delhi Division has drawn travelling allowance averaging somewhere in the neighbourhood of Rs. 8 a day.

(*d*) I understand that the reply to the first portion of this question is in the affirmative, and that, as regards the second and third portions of this question, an inquiry has been instituted by the North Western Railway and is not yet completed.

ALLOWANCES OF TRAVELLING TICKET INSPECTORS.

433. ***Mr. B. Das:** (*a*) What is the usual rate of allowances that is allowed to Travelling Ticket Inspectors, including the crews, on (i) the East Indian Railway, (ii) the North Western Railway, and (iii) the Great Indian Peninsula Railway?

(*b*) Are Head Travelling Ticket Inspectors in other Divisions of the North Western Railway and in the East Indian Railway and the Great Indian Peninsula Railway allowed such heavy allowances?

(*c*) Is it a fact that at times the allowances drawn in a month exceed the salary of the month in many cases?

Mr. A. A. L. Parsons: I am obtaining information from the Railways concerned and will communicate with the Honourable Member when it has been received.

IRREGULARITIES OF THE POSTMASTER, AMRITSAR.

434. ***Mr. B. Das:** (*a*) Has the attention of Government been drawn to the judgment of the Additional District Magistrate of Amritsar, as published in the *Hindu Herald* of Lahore of Saturday, the 8th February, 1930, in which severe strictures have been passed against the Postmaster of Amritsar?

(*b*) Have Government made any inquiry into the following questions as referred to in that judgment? If so, what are the decisions taken on them?

"In the end I have to say two things. (i) The Investigating Officer of the Post Office, B. Vishwa Nath, who throughout attended the trial, tutored witnesses not only outside the court room, *vide* P. W. 9 Faqir Chand, but persisted in suggesting answers to witnesses in the witness box on crucial moments with the result that I had perforce to ask him to leave the court room, on one hearing.

(ii) The Postmaster tried to put obstacles in the way of an expeditious trial. He made arrangements for Post Office clerks to attend court on the 14th November, 1929, and cancelled them without cause to delay matters. Further he suspended a postman D. W. 31, when he learnt he was going to give evidence in defence."

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"Lastly the Postal Inspector and the Postmaster between themselves have suppressed some telegrams and the further statement of a clerk made before the Town Inspectors. Finally, the seals bearing date 13th August, on the Protecting Cover Ex. P. D., which was protected on 12th, must have been with the connivance of the Postmaster and the Inspector. It is a very serious thing, almost a forgery."

(c) With reference to the following observations of the Court, will Government be pleased to state what steps have been taken to standardise the punishment for each of the parties referred to therein?

"Accused has led evidence in order to lay bare the irregularities committed by the Postmaster. I need not dilate upon them but it is true that the Postmaster has been lacking in fairness and justice. For example, on the one hand, Mohammed Latif, postman, is caught red-handed in attempting to misappropriate Rs. 200 and is fined Re. 1 only, on the other Gurdial, postman, is reduced in pay for delivering *Dak* at the door of the slaughter house without going inside. On the one hand he dismisses half a dozen candidates appointed by his predecessor; on the other hand he brings his own people from Lahore and appoints them straightaway without any period of probation, *e.g.*, Nurdin, Nathu and Nasir Mohammed. Rather, he goes much further and allows Nasir Mohammed, a relation of his, *to draw pay from the 1st October, 1929, to the 17th October, 1929, for a period for which he never worked.* Again on the one hand, he took no action against D. W. 34 Mohammed Latif, postman, for misappropriating Rs. 3 from a money order; on the other he reduced Jai Kishen Das for not wearing a uniform which was dirty and too small for him. Similarly he takes no action against Khuda Bakhsh who paid annas seven less in a money order delivery.

All these points have been proved by direct evidence of documents and files which are placed on the record."

(d) Will Government be pleased to state if any superior officer any time made any inquiry into the discriminating punishments awarded by the Postmaster, as mentioned in part (c), and how it is that such irregularities escaped the attention of the higher officers?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes.

(b), (c) and (d). The Postmaster General, Punjab and North-West Frontier Circle, is inquiring into the matter personally. Suitable action will be taken after the inquiry is completed.

INCOME AND EXPENDITURE OF MILITARY SCHOOLS AND COLLEGES.

435. *Dr. B. S. Moonje: Will Government be pleased to supply information in connection with the military schools at Jhelum and Jullundur and the Prince of Wales Royal Military College, Dehra Dun, on the following points:

(a) The yearly budgets of income and expenditure;

(b) The sources and amounts of yearly income;

(c) The numbers on the staffs for education, training, supervision and medical relief;

(d) The pay and allowances of each on the staffs;

(e) The yearly expenditure on dairy and its staff, with amounts of milk and butter supply;

(f) The expenditure on the establishment of bakery, ærated water and cooking, and the amount of income, if any, derived from them; and

(g) The lengths of rifle ranges, if any, and yearly amounts of ammunition for miniature and other ranges for rifle practice?

Mr. G. M. Young: (a) The figures for 1929-30 are:

Budget.—Dehra Dun Rs. 2,47,490; Jhelum Rs. 80,000; Jullundur Rs. 83,320.

Receipts from fees.—Dehra Dun Rs. 1,41,750; Jhelum Rs. 11,880; Jullundur Rs. 13,350.

(b) The Army estimates bear the cost, and the receipts from fees are credited to them.

(c) and (d). A statement is laid on the table.

(e) Nil. The Dehra Dun College used to run a dairy, but no longer does so.

(f) There are no separate bakery or cooking establishments. The schools at Jhelum and Jullundur have no mineral water factories. The annual expenditure on the soda-water factory at the Dehra Dun College is Rs. 600, and the income is about Rs. 400.

(g) Miniature ranges only, 25 yards in length, 50 rounds a year for each of the senior boys. The juniors are not allowed to fire.

Statement laid on the table with reference to parts (c) and (d) of starred question No. 435.

1. *Dehra Dun College:*

(i) *Staff for supervision and administration:*

1 Commandant (Military). (Appointment abolished from the 2nd March, 1930)	Pay as for a General Staff Officer, 1st Grade.
1 Adjutant and Quartermaster	Pay Rs. 505 per mensem.
1 Ground Superintendent	Pay Rs. 50 per mensem and free quarters.
1 Indian Mess Caterer and Supervisor	Pay Rs. 150—10—200 per mensem and free quarters.
4 Indian clerks	Pay Rs. 50—4—90—3—120 per mensem (As for Indian Corps of Clerks).
1 Mistry in charge of gas engine	Pay Rs. 25 per mensem.
1 Carpenter	Pay Rs. 40 per mensem.
*55 Inferior servants (sweepers, chowkidars, bhistis, chaprassis, etc.)	Nerrick rates of pay.

*Excluding cooks, table servants, etc., whose pay is met out of a contract allowance. The numbers employed vary from time to time.

(*ii*) *Staff for education and training* :

1 Headmaster	Pay as for the Lower Selection grade of the Indian Educational Service. (Rs. 1,250—1,500 *plus* overseas pay).
8 Assistant Masters	Pay as for officers of the Indian Educational Service. (Rs. 400—1,500) *plus* overseas pay).
2 Physical Training Instructors (British warrant officers)	Regimental rates of pay and allowances, (14 sh. and 10 sh. per day, *plus* the usual allowances).
3 Vernacular teachers	Pay Rs. 180—10—300 per mensem and free quarters.
1 Drawing and Manual Training Master	Pay Rs. 75—5—150 per mensem and free quarters.
3 Religious teachers	Pay Rs. 60—5—100 per mensem and free quarters.
1 Laboratory Assistant	Pay Rs. 75—5—100 per mensem.

(*iii*) *Staff for medical relief* :

1 Assistant Surgeon	According to grade and service. Present incumbent draws about Rs. 500 per mensem.
1 Matron	Pay Rs. 250—20—350 per mensem and free quarters.
1 Nursing Sister (for 10 weeks in the year if found necessary)	Pay Rs. 330 per mensem.
2 Nursing Orderlies	Pay Rs. 30 and Rs. 25 per mensem.
1 Hospital Cook	Pay Rs. 30 per mensem.
1 Hospital Bhisti	Pay Rs. 15 per mensem.
1 Hospital Sweeper	Pay Rs. 12 per mensem.

Note.—Serious medical cases are treated by the Senior Medical Officer, Dehra Dun.

2. *Jhelum and Jullundur School* :

(*i*) *Staff for supervision and administration* :

1 Commandant (Captain)	Pay Rs. 870 per mensem.
1 Quartermaster Havildar	Pay Rs. 40 per mensem and free quarters.
1 Sanitary Havildar	Pay Rs. 40 per mensem and free quarters.
2 Clerks	Pay Rs. 50—4—90—3—120 (Indian Corps of Clerks).
8 Orderlies for Indian officers	Pay Rs. 15 per mensem each.
Shoemakers, dhobis, barbers and tailors (10 at Jhelum and 6 at Jullundur)	Pay Rs. 25 per mensem average each.
20 Inferior servants (cooks, sweepers, etc.)	Nerrick rates of pay.

(*ii*) *Staff for education and training* :

1 Headmaster—Subadar-Major	Pay Rs. 300 per mensem (Rs. 525 if Honorary Lieutenant) and free quarters.
2 Masters—Subadars	Pay Rs. 180 per mensem and free quarters.
5 Masters—Jemadars	Pay Rs. 115 per mensem and free quarters.
2 Assistant Masters—Havildars	Pay Rs. 40 per mensem and free quarters,
1 Drill Havildar	Pay Rs. 40 per mensem and free quarters.
1 Vernacular teacher	Pay Rs. 45 per mensem and free quarters.
Religious Teachers. (1 for Jhelum and 2 for Jullundur)	Pay Rs. 75 per mensem and free quarters.
1 Drawing Master	Pay Rs. 70 per mensem.

(*iii*) *Staff for medical relief* :

1 Sub-Assistant Surgeon	Pay Rs. 160 per mensem and free quarters.
1 Nursing Orderly	Pay Rs. 25 per mensem and free quarters.

Note.—Serious medical cases are sent to the Indian Military Hospital for treatment.

SUPPLY OF HOT WATER AT THE WESTERN HOSTEL.

436. ***Sir Darcy Lindsay:** (*a*) Are Government aware that there is considerable inconvenience experienced by residents at the Western Hostel, New Delhi, by the defective and almost primitive arrangements in the supply of hot water for the daily bath?

(*b*) If the reply is in the affirmative, do Government propose to examine the position and carry out at an early date the original intention of installing a direct hot water service to the bath from a central boiler?

(*c*) Are Government also prepared to consider the urgency of supplying the bath-rooms with wash basins fitted with hot and cold water connections as is the practice appertaining to first class hotels?

(*d*) What is the daily charge made to residents for the supply of hot water and the amount of recovery for a full month with all quarters occupied?

The Honourable Sir Bhupendra Nath Mitra: (*a*) The reply is in the negative. I understand that no representation on this account has been received from any resident of the Western Hostel during the nine years during which it has been occupied.

(*b*) Does not arise. I understand, however, that there was no original intention of installing a direct hot water service to the bath from a central boiler.

(*c*) Government do not propose to take any action in the matter until they are satisfied that the inconvenience referred to is generally felt and that the residents are prepared to meet the additional charge which the provision of improved facilities must lead to. I understand that the cost of providing improved facilities will amount to about Rs. 50,000. I should like to add that I understand that the charges now recovered from residents at the Western Hostel are appreciably lower than those levied at first class local hotels from casual residents.

(*d*) The daily charge is 3 as., and the amount of recovery for a full month with all the quarters occupied would be about Rs. 400 for all the quarters.

Sir Darcy Lindsay: Can the Honourable Member refer me to any first class hotel where there is an extra charge for hot water service?

The Honourable Sir Bhupendra Nath Mitra: In my reply I have not referred to the question of the extra charge for the hot water service. I have referred to the aggregate charge.

Mr. M. A. Jinnah: What was the original intention of the Government to deal with this grave problem?

The Honourable Sir Bhupendra Nath Mitra: There is no question of original intention. All that the Government did intend already exists in the building as it now stands. That was the original intention.

Mr. A. H. Ghuznavi: But why were hot water taps put in those tubs?

The Honourable Sir Bhupendra Nath Mitra: So far as I know, hot water taps were not put in in those tubs. The arrangement is that the hot water has to be taken at certain points and then carried by the bearer into the baths. It may interest my Honourable friends to know that, in my bungalow the arrangement for hot water is probably more primitive than that at the Western Hostel.

Mr. M. A. Jinnah: Is the Honourable Member aware that, in the bath tubs, there is actually a hole for the hot water tap? Was that the original intention of the Government or not?

The Honourable Sir Bhupendra Nath Mitra: My information is that that was not the original intention of the Government.

Mr. M. A. Jinnah: Then why was the hole made? (Laughter.)

†437.*

CONTRACTION AND EXPANSION OF CURRENCY.

438. ***Mr. Mukhtar Singh:** (*a*) Will Government be pleased to state:

(i) The normal amount of currency before the war;

(ii) The normal amount of currency in 1930; and

(iii) The amount of currency contracted and expanded during the period 1920 to 1930, giving the dates and the amounts when the contraction and expansion has taken place?

(*b*) Will Government be pleased to state if there are any rules or instructions to expand or contract the amount of currency during the different seasons of the year? If the answer be in the affirmative, will Government be pleased to place a copy of those rules or instructions in the Library of the House?

(*c*) Will Government be pleased to state if the contraction or expansion of currency has anything to do with seasonal changes in the country or to the export of different raw materials from the country?

The Honourable Sir George Schuster: (*a*) (i) and (ii). The balance of currency notes in circulation at the beginning of 1914 was 64,57 lakhs and at the beginning of 1920 1,82,91 lakhs. The amount of rupees in circulation is not known. Statement of the last Annual Report of the Controller of the Currency gives the total of rupees coined, but it is impossible to say how many of these are in actual circulation.

(iii) A statement is laid on the table showing the expansions and contractions of the note issue from the 1st January, 1920, to the 31st December, 1929, effected in other ways than the exchange of coin and notes. The net result of these operations was that the amount of notes in circulation on the 31st December, 1929, was 3½ crores less than on 1st January, 1920.

(*b*) There are no such rules or instructions.

(*c*) It will be seen from the statement mentioned in the answer to (*a*) (iii) that in most years there have been contractions during hot weather months and expansions during the cold weather to correspond with the seasonal variations in the demand for currency. The export of raw materials depends primarily on international demand. Obviously when large quantities of crops are being moved, and when prices of such crops are high, more currency will be required than in the slack seasons, or when prices are low. The currency policy of the Government must adapt itself to the needs of the situation, and the provisions for the issue of emergency currency are designed to give elasticity for this purpose.

†This question was withdrawn by the Questioner.

Statement showing expansions and contractions

Expansions+,

	1920.					1921.				
	Sterling securities.	Securities of the Government of India.	Emergency advances to the Imperial Bank.	Gold.	Total.	Sterling securities.	Securities of the Government of India.	Emergency advances to the Imperial Bank.	Gold.	Total.
January	...	—1,43	...	+7,01	+5,58	...	...	...	+11	+11
February	...	...	...	—77	—77	...	...	...	+6	+6
March	—15,28	+3,99	...	+1,86	—9,38	...	...	...	+11	+11
April	—6,00	+4,18	...	—1,48	—3,30	...	—1	...	+9	+8
May	—10,50	+7,41	...	—2,78	—5,82	...	—7	...	+4	—3
June	—13,50	+4,37	...	+2,37	—6,76	...	...	...	+5	+5
July	—9,00	+5,07	...	—1,35	—5,28	...	+6	...	...	+6
August	—6,74	+6,71	...	—3,50	—5,53	...	—1,13	...	...	—1,13
September	—5,35	—19	...	—2,97	—8,41	...	...	...	—1	—1
October	—7,93	+20,23*	...	—12,40	+60	...	+14	...	...	+14
November	...	...	...	+11	+11	—2,01	—2,66	...	—1	—4,68
December	...	...	...	+3	+3	—49	+4,00	...	—1	+3,50
Total	—74,15	+51,04	...	—15,62	—38,33	—2,50	+33	...	+43	—1,74

* Mainly due to revaluation.

of currency from 1920 to 1924.

Contractions—.

Figures are in lakhs of rupees.

	1922.					1923.					1924.				
	Sterling securities.	Securities of the Government of India.	Emergency advances to the Imperial Bank.	Gold.	Total.	Sterling securities.	Securities of the Government of India.	Emergency advances to the Imperial Bank.	Gold.	Total.	Sterling securities.	Securities of the Government of India.	Emergency advances to the Imperial Bank.	Gold.	Total.
...	...	+99	...	...	+99	...	+1	...	...	+1	+5,00	+4	...	...	+5,04
...	...	—1,96	...	...	—1,96	...	...	...	...	...	...	+1	+4,00	...	+4,01
...	...	—2,35	+2,00	...	—35	...	+5	...	...	+5	...	...	...	...	...
...	...	+1	—2,00	...	—1,99	...	+7	+2,00	...	+2,07	...	...	—2,00	...	—2,00
...	...	+3	...	...	+3	...	—5	—2,00	...	—2,05	...	...	—6,00	...	—6,00
...	...	—5	...	...	—5	...	...	...	...	...	...	—18	—4,00	...	—6,18
...	...	+3	...	...	+3	—2,00	+1	...	...	—1,99	...	—1	...	...	—1
...	...	—1,37	...	...	—1,37	—3,85	...	...	...	—3,85	...	—3	...	...	—3
...	...	—2,86	...	...	—2,86	...	—3	...	...	—3	...	—18	...	...	—18
...	...	—2,55	...	...	—2,55	...	...	...	...	...	+1,00	...	...	...	+1,00
...	...	—95	...	...	—95	+3,00	...	...	—2,00	+1,00	+1,00	...	...	...	+1,00
...	...	...	...	...	...	+6,00	...	+8,00	...	+14,00	+1,00	...	+2,00	...	+3,00
...	...	—10,98	...	...	—10,98	+3,15	+6	+8,00	—2,00	+9,21	+8,04	—35	—6,00	...	+1,65

Statement showing expansions and contractions of Currency from 1925 to 1929.

Expansions +

Contractions —

Figures are in lakhs of rupees.

	1925.					1926.				
	Sterling securities.	Securities of the Government of India.	Emergency advances to the Imperial Bank.	Gold.	Total.	Sterling securities.	Securities of the Government of India.	Emergency advances to the Imperial Bank.	Gold.	Total.
January	+3,00	...	+2,00	...	+5,00	..	...	...	...	...
February	...	...	+4,00	...	+4,00	...	...	...	...	...
March	...	...	...	...	...	...	...	...	...	...
April	...	...	−2,00	...	−2,00	−8,00	...	...	...	−8,00
May	...	+3	−6,00	...	−5,97	...	+5	...	..	+5
June	...	+2	...	...	+2	...	+4	...	...	+4
July	...	...	...	...	...	...	+11	...	...	+11
August	...	−6	...	...	−6	...	+7	...	...	+7
September	...	−1	...	...	−1	−7,00	+2	...	...	−6,98
October	+2,00	...	...	...	+2,00	...	−4,80	...	...	−4,80
November	+1,00	...	...	...	+1,00	−4,00	−1,33	...	...	−5,33
December	+6,00	...	...	...	+6,00	−4,43	−1,50	...	...	−5,93
Total	+12,00	−2	−2,00	...	+9,98	−23,43	−7,34	...	...	−30,77

	1927.					1928.					1929.					
	Sterling securities.	Securities of the Government of India.	Emergency advances to the Imperial Bank.	Gold.	Total.	Sterling securities.	Securities of the Government of India.	Emergency advances to the Imperial Bank.	Gold.	Total.	Sterling securities.	Securities of the Government of India.	Emergency advances to the Imperial Bank.	Gold.	Silver.	Total.
January	...	...	...	...	...	+1,00	+1,00	+4,00	...	+6,00	...	...	...	+1,11	...	+1,11
February	...	...	+2,00	...	+2,00	−67	...	...	...	−67	+2,50	...	−50	...	...	+2,00
March	...	...	...	...	...	...	...	−1,00	...	−1,00	...	...	−4,50	+1	...	−4,49
April	−5,33	−3,00	−2,00	...	−10,33	...	...	+50	...	+50	−2,00	...	−2,00	...	−69	−4,69
May	...	−2,00	...	...	−2,00	...	...	+1,50	...	+1,50	...	...	...	...	−31	−31
June	−2,10	...	...	...	−2,10	...	...	−9,00	...	−9,00	...	...	...	...	...	...
July	...	...	...	...	...	...	...	...	...	...	−8,00	...	...	...	−11	−8,11
August	...	...	...	...	...	...	...	...	...	...	...	−4,01	...	...	−54	−4,55
September	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
October	...	...	...	...	...	...	...	...	...	...	...	−2,85	...	...	−41	−3,26
November	...	...	...	...	...	...	...	...	...	...	−2,67	...	...	...	−68	−3,35
December	+2,00	...	+4,00	...	+6,00	+1,00	+95	+7,00	+1,01	+9,96	...	...	...	...	...	...
	−5,43	−5,00	+4,00	...	−6,43	+1,33	+1,95	+3,00	+1,34	+7,62	−10,17	−6,86	−7,00	+1,12	−2,94	−25,85

DIVISIONAL SCHEME FOR RAILWAYS.

439. ***Mr. Mukhtar Singh:** (*a*) Will Government be pleased to state if any scheme known as the divisionalisation scheme was prepared in 1924? If so, will Government be pleased to lay a copy of that scheme on the table?

(*b*) Is it a fact that under the above-mentioned scheme the East Indian Railway section from Ghaziabad to Kalka was to be made over to the North Western Railway and the section from Ghaziabad to Ambala *via* Saharanpur was to be made over to the East Indian Railway?

(*c*) Is it a fact that under that scheme the East Indian Railway section from Ghaziabad to Kalka has been made over to the North Western Railway?

(*d*) Is it a fact that the Ghaziabad-Ambala section *via* Saharanpur could not be made over to the East Indian Railway on account of the construction of a yard by the North Western Railway?

(*e*) Is it a fact that the yard referred to in part (*d*) was completed in 1929, but that still the transfer of the Ambala-Ghaziabad section to the East Indian Railway has not been made?

(*f*) Will Government be pleased to state when is it likely that the transfer of the above section will be made?

(*g*) Is it a fact that on account of the above transfer being delayed the East Indian Railway clerks have to be transferred to distant places and have to suffer a great deal of inconvenience?

(*h*) Is it a fact that the principle underlying the above scheme was to provide Punjab employees with places in the Punjab, and similarly to provide United Provinces employees with places in the United Provinces?

Mr. A. A. L. Parsons: (*a*) The reply to the first part is in the affirmative. I am sending the Honourable Member a copy of the Report regarding the scheme in question.

(*b*) The reply to the first part is "yes" and to the latter part "no".

(*c*) Yes.

(*d*) to (*g*). Do not arise.

(*h*) No.

SHOOTING OF TWO VILLAGERS AT MOTHKI MASJID.

440. ***Munshi Iswar Saran:** (*a*) Will Government be pleased to state if it is a fact that two villagers were shot at village Mothki Masjid?

(*b*) Is there any truth in the allegation that they were shot by two soldiers of the Gordon Highlanders?

(*c*) Has a prosecution been started? If not, why not?

The Honourable Sir James Crerar: (*a*), (*b*) and (*c*). The incident referred to took place on the 30th January last. Three villagers are reported to have been injured with pellets from a shot gun. Their injuries, which were attended to in hospital, were slight. Two soldiers of the Gordon Highlanders are alleged to be implicated in the affair, which is at present under investigation by the police, with a view to the institution of criminal proceedings.

COAL TRAFFIC.

441. ***Mr. A. H. Ghuznavi:** Will Government be pleased to place on the table a statement showing the coal traffic for six months prior to the reduction of coal freight and for six months after the reduction in coal freight?

Mr. A. A. L. Parsons: The statement required is placed on the table.

Statement of coal traffic on Class I Railways.

(*Note.*—Freight rates for coal were reduced from 1st June, 1929.)

	Coal, coke and patent fuel.				Fuel on revenue account.		Total.	
	For the public.		For foreign railways and Home line construction.					
	Tons originating.	*Earnings.	Tons originating.	*Earnings.	Tons originating.	*Earnings.	Tons originating.	*Earnings.
		Rs.		Rs.		Rs.		Rs.
December 1928 to May 1929	7,991,274	3,71,16,865	2,295,721	1,57,69,849	2,213,889	1,19,82,125	12,500,884	6,48,68,839
June 1929 to November 1929	7,042,274	3,03,82,635	1,918,625	1,24,14,928	2,082,087	1,06,56,519	11,042,986	5,35,,3,082

* Earnings are for total tons carried.

SPEECHES OF SECRETARIES TO GOVERNMENT MADE IN THE LEGISLATURE.

442. *Mr. E. F. Sykes: Are the speeches of Secretaries to Government delivered in either House of the Indian Legislature to be taken as conveying the views of Government?

The Honourable Sir James Crerar: Secretaries who are Members of the Legislature are certainly competent to state the position of Government, and it may therefore be presumed that their speeches convey the views of Government unless from the context it appears that they are expressing a personal opinion.

UNSTARRED QUESTIONS AND ANSWERS.

INSTITUTION OF AN IMMIGRATION SECRETARIAT.

182. Mr. Gaya Prasad Singh: Has the attention of Government been drawn to the leading article in the *Tanganyika Opinion*, dated the 20th September, 1929 (page 8), under the heading "Government of India, and the Colonies"; and have Government decided to institute a special immigration or colonial secretariat? If not, why not?

Sir Frank Noyce: The attention of Government has been drawn to the article referred to by the Honourable Member. A Joint Secretary was sanctioned for the Department of Education, Health and Lands, with effect from the 16th December, 1927, to pay special attention to overseas work, and recently the Government of India have decided to appoint, from 1st April, 1930, a Deputy Secretary to understudy and assist him. Government consider that these arrangements should be tried for some time. If they prove inadequate, the question of establishing a separate Secretariat for overseas work can be considered.

MEMORANDUM PRESENTED BY THE EAST AFRICAN DEPUTATION.

183. Mr. Gaya Prasad Singh: (*a*) Will Government be pleased to lay on the table a copy of the memorandum presented to them by the East African Deputation that visited India, under the leadership of Mr. Pandya?

(*b*) Will Government be pleased to make a statement on the efforts made by them to represent the case of the East African Indians before the Imperial Government, especially after the submission of the memorandum referred to in part (*a*)?

Sir Frank Noyce: (*a*) A copy of the memorandum referred to by the Honourable Member has been placed in the Library of the House.

(*b*) I would invite the Honourable Member's attention to the relevant passage in the address delivered by His Excellency the Viceroy in this House on the 25th January, 1930.

SYSTEM OF TAKING THUMB IMPRESSIONS OF INDIAN IMMIGRANTS TO THE BELGIAN CONGO.

184. Mr. Gaya Prasad Singh: (*a*) Has the attention of Government been drawn to the leading article in the *Tanganyika Opinion*, dated the 15th November, 1929 (page 10), under the heading "In Congo-Belge"?

(*b*) Are Government aware that the system of taking thumb impressions from the Indian immigrants to Congo-Belge still continues; and what is the result of the representation "at once" made to His Majesty's Government, as indicated in the reply given to my starred question No. 502 of the 16th September, 1929?

(*c*) Do Government propose to take any further steps in the matter?

Mr. E. B. Howell: I have not seen the article in question, but inquiries made through His Majesty's Government have elicited the fact that all immigrants to the Belgian Congo, irrespective of their nationality or race, may be required to have their finger prints taken. In the circumstances it is not proposed to make any further representations on the subject.

OVERCROWDING ON THE DECK OF THE "KARAGOLA".

185. Mr. Gaya Prasad Singh: (*a*) Has the attention of Government been drawn to a report published in the *Tanganyika Opinion*, dated the 29th November, 1929 (page 4), regarding overcrowding on the deck of the "Karagola"?

(*b*) Are Government aware that Pandit Bhawani Dayal brought the matter to the notice of the Captain of the boat, and the Assistant Port Officer, but without any result?

(*c*) Are Government aware that persistent complaints have been made from time to time regarding the grievances of deck passengers on board the steamers belonging to the British India Steam Navigation Company, and have Government seen such reports in the *Tanganyika Opinion*, dated the 6th December, 1929 (page 9), the 13th December, 1929 (pages 2 and 10), and the 3rd January, 1930 (page 5)?

(*d*) What steps have Government taken so far, or do they propose to take now, to ameliorate the condition of deck passengers and remove their legitimate grievances?

The Honourable Sir George Rainy: (*a*) Government have seen the report referred to.

(*b*) A few days prior to the arrival of the S.S. "Karagola" at Bombay, a telegram signed by the Social Service League was received by the Port Officer, Bombay, complaining of the conditions under which the deck passengers were travelling on board the said vessel. Immediately upon the arrival of the ship, an inquiry was made by the Assistant Port Officer, the Principal Engineer and the Ship Surveyor, and it was found that there had been no breach of the statutory requirements. It is also understood that a deputation of the deck passengers complained to the Master as soon as the vessel left Mombassa that she was overcrowded, that the Master explained that the space allotted was in excess of the requirements of the rules, and that he and the Chief Officer visited the passenger spaces and did what was possible to make the passengers comfortable by a re-arrangement of their baggage, which appeared to be the cause of the complaints.

(*c*) Government have seen the reports referred to.

(*d*) The rules governing native passenger ships were revised last year, after a careful examination of the problems affecting the deck passenger

trade. Under the revised rules, the space to be available for each deck passenger has been increased, and a higher standard of sanitary arrangements has been prescribed. Government do not propose to take any further action.

OPENING OF A TELEGRAPH OFFICE AT TALEGAON DASHASAR.

186. **Mr. M. S. Aney:** (*a*) Will Government be pleased to state whether the residents of Talegaon Dashasar in Taluk Chandur of Amraoti District, in East Berar had applied in the year 1920, to the Postmaster General, Nagpur, for opening a telegraph office there and the Postmaster General informed them by his letter No. E.-21/40, dated 31st July, 1920, that the said telegraph office would be opened on the execution of an indemnity bond by the residents of the town for an annual guarantee of Rs. 272 for a period of 10 years to cover the costs of construction of the telegraph line to, and maintenance of the telegraph office at, the town.

(*b*) Is it a fact that the residents of the aforesaid place duly informed on the 8th May, 1924, the Postmaster General, Nagpur, through the Superintendent of Post Offices, East Berar Division, Amraoti, of their willingness to execute the indemnity bond and submitted a bond duly executed by them to the Deputy Commissioner of Amraoti District, as required in the aforesaid letter of the Postmaster General, Nagpur?

(*c*) Will Government be pleased to state whether the Postmaster General, Central Circle, Nagpur, instead of taking steps to open the telegraph office on the receipt of the above correspondence, as per his orders, dated the 31st July, 1920, directed the Superintendent of Post Offices, East Berar Division, in his letter No. E.-21/40, dated the 19th May, 1924, to inform the residents of the town of Talegaon Dashasar that they would be required to guarantee an annual amount of Rs. 1,123-3-0 for a period of ten years instead of Rs. 272 mentioned in the previous orders?

(*d*) Will Government be pleased to state whether in reply to further representations on the subject by the residents of Talegaon Dashasar, the Inspector, Post Offices, Wardha Sub-Division, communicated to them in his letter No. 3570, dated Wardha, the 10th January, 1925, that he was directed to demand from them an annual guarantee of Rs. 1,410 for a period of ten years for opening a telegraph office at their place?

(*e*) Will Government be pleased to furnish the details of the total estimated annual costs of Rs. 1,123-3-0 and Rs. 1,410 mentioned in the two letters referred to above as against Rs. 272 required in the order of the Postmaster General, Nagpur, in the year 1920?

(*f*) Will Government be pleased to state whether before addressing the letters, dated 19th May, 1924, and 10th January, 1925, demanding guarantees any inquiry was instituted by the Government through their officers to make any estimate of the income likely to be had annually by the opening of a telegraph office at Talegaon Dashasar after carefully considering the volume of trade and commerce carried on at the place annually? If so, will Government be pleased to place the copies of the report on the table for information?

Mr. H. A. Sams: (*a*) Yes. According to the orders then in force, the Posts and Telegraphs Department demanded a guarantee equivalent to half the estimated annual cost of maintaining and working the office.

(*b*) It is reported by the Postmaster General that, in 1924, the residents expressed to the Deputy Commissioner their willingness to furnish the guarantee quoted in 1920, but no bond was actually executed by them.

(*c*) The Government of India decided in 1922 that, instead of demanding a guarantee equivalent to half the estimated cost of maintaining and working an office, the Posts and Telegraphs Department should be protected against loss to the full amount. Further, the system of calculating the amount of the guarantee was revised in 1923 and again in January, 1924, according to which the percentages to be charged on the capital cost were raised and put on a more equitable basis. It was, therefore, necessary to recalculate the amount of the guarantee. The revised amount of the guarantee was found to be Rs. 1,123-8-0, and this amount was duly communicated to the residents for their acceptance.

(*d*) On receipt of further representations for the opening of a combined office at Talegaon Dashasar, further investigations were made in 1924, and on account of the increased estimated cost of the line and revised apportionment of charges between the Postal and Telegraph Branches of the Office, the revised guarantee of the proposed office was found to be Rs. 1,410-0-0. This amount was accordingly demanded for a term of ten years.

(*e*) The required details are as follows:

Details of calculation of:

	Guarantee of Rs. 272.	Guarantee of Rs. 1,123-8-0.	Guarantee of Rs. 1,410.
Capital cost of line	4,984 0 0	4,984 0 0	5,950
Provision for Stock-eping and establishment.	872 1 7	872 1 7	1,035
Total	5,856 1 7	5,856 1 7	6,985
Estimated annual cost of line—			
Interest, Depreciation and Maintenance.	338 11 5	882 3 1	977·91
Estimated annual cost of working office—			
Interest, Depreciation and maintenance on Capital cost of Apparatus, Working expenses, cost of Stationery and Printing, control and audit and general charges.	205 7 2	241 4 0	431·60
Total	544 2 7 (Half of above)	1,123 7 1	1409·51
Guarantee	272 0 0	1,123 8 0	1,410

(*f*) No. The matter was not brought to the notice of Government and no inquiries were instituted under their orders. The Postmaster General

no doubt must have made investigations into the prospective revenue of the proposed office, but the result of his investigations is not available, as the old records have been destroyed.

OPENING OF A TELEGRAPH OFFICE AT TALEGAON DASHASAR.

187. **Mr. M. S. Aney:** (*a*) Will Government be pleased to say whether they are aware that the wire connection to the town of Talegaon Dashasar from the line running between Dhamangaon and Yeotmal will be only two to three miles?

(*b*) Do Government propose to disclose the grounds on which the Postmaster General, Central Circle, rejected the less costly proposal of placing the telegraph office at Talegaon Dashasar on the existing wires in the year 1924, and to urge him to reconsider the same?

(*c*) Will Government be pleased to state whether it is not a fact that the Posts and Telegraphs Department has been making a considerable profit from the combined post and telegraph offices situated in the four districts of Berar, and the total number of places served by the telegraphic service is comparatively less than that in any other province in British India yielding the same rate of annual profit to the Posts and Telegraphs Department?

(*d*) Will Government be pleased to say whether they propose to reconsider the subject of the opening of a telegraph office at Talegaon Dashasar and revise the amount of annual guarantee after a careful inquiry into the conditions of trade and commerce at that place?

Mr. H. A. Sams: (*a*) The distance of Talegaon Dashasar from the line running between Dhamangaon and Yeotmal has been reported to be four miles.

(*b*) The exact reasons are not known, but the matter is under the further consideration of the Postmaster General.

(*c*) The accounts are not kept in such detail as to enable the Honourable Member's statement to be checked.

(*d*) Yes.

STATEMENT OF BUSINESS.

The Honourable Sir James Crerar (Leader of the House): With your permission, Sir, I desire to make a statement as to the probable course of Government business in the week beginning March the 3rd. On that day, being a Gazetted holiday, there will be no sitting of the House. Tuesday the 4th and Wednesday the 5th have been appointed by His Excellency the Governor General for the general discussion of the Budget. On Thursday the 6th, the first business will be the holding of the election for the Central Advisory Council for Railways, and this will be followed by motions for the election of members for the Standing Finance Committee and for the Standing Committee on Roads. Thereafter the outstanding business, if any, of to-day's agenda will be taken up. The further legislative business to be undertaken will be as follows:

The Honourable Sir George Rainy will move to take into consideration and to pass the Bill further to amend the Indian Tariff Act, as reported by the Select Committee, and also the Bill to amend the law relating to the

fostering and development of the Steel Industry in British India, as reported by the Select Committee. The Honourable Sir Bhupendra Nath Mitra will move that the amendments made by the Council of State in the Bill further to amend the Indian Patents and Designs Act, 1911, be taken into consideration. Motions will be made by Mr. Gwynne to take into consideration and pass two Bills already passed this Session by the Council of State, namely, a Bill further to amend the Special Marriage Act, 1872, and a Bill further to amend the Prisons Act, 1894. Lastly, the Honourable the Law Member will move to take into consideration and pass the Repealing and Amending Bill as passed by the Council of State.

Friday the 7th and Saturday the 8th have been allotted by His Excellency the Governor General for the discussion of the Demands for Grants.

ELECTION OF THE STANDING FINANCE COMMITTEE FOR RAILWAYS.

Mr. President: The House will now proceed to elect eleven Members to the Standing Finance Committee for Railways. Out of the 22 candidates, originally nominated, the following have since withdrawn their candidatures:

Mr. S. C. Mitra,

The Revd. J. C. Chatterjee,

Mr. D. K. Lahiri Chaudhury.

Dr. A. Suhrawardy,

Mr. Amar Nath Dutt.

Mr. Anwar-ul-Azim (Chittagong Division: Muhammadan Rural): I have also withdrawn my candidature. I have since written to the Secretary.

Mr. President: It is very inconvenient that Honourable Members should withdraw at the last moment. Mr. Anwar-ul-Azim also has withdrawn his candidature.

(The ballot was then taken.)

ELECTION OF MEMBERS TO THE GOVERNING BODY OF THE INDIAN RESEARCH FUND ASSOCIATION.

Mr. President: The House will now proceed to elect two Members to sit on the Governing Body of the Indian Research Fund Association. There are three candidates whose names are printed on the ballot papers which will now be supplied to Honourable Members in the order in which I call them.

(The ballot was then taken.)

ELECTION OF MEMBERS TO THE COMMITTEE ON PUBLIC ACCOUNTS.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to move that the non-official Members of the Assembly do proceed to elect, in the manner required by rule 51 of the Indian Legislative Rules, three Members to be Members of the Committee on Public Accounts in place of Mr. T. A. K. Shervani, Mr. S. C. Mitra and Kumar Ganganand Sinha.

The motion was adopted.

ELECTION OF A MEMBER TO THE STANDING COMMITTEE FOR ROADS.

The Honourable Sir Bhupendra Nath Mitra (Member for Industries and Labour): Sir, I beg to move that this Assembly do proceed to elect a Member to the Standing Committee for Roads to fill the vacancy caused by the resignation of his seat in the Assembly by Kumar Ganganand Sinha.

The motion was adopted.

ELECTION OF MEMBERS TO THE COMMITTEE ON PUBLIC ACCOUNTS AND THE STANDING COMMITTEE FOR ROADS.

Mr. President: I may inform Members that for the purpose of election of Members to the Committee on Public Accounts and the Standing Committee for Roads, the Assembly Office will be open to receive nominations up to 12 Noon on Saturday, the 8th March, 1930. The election for the Committee on Public Accounts, if necessary, will be held in this Chamber on Monday, the 17th March, while the election for the Standing Committee for Roads will take place on Thursday, the 13th March, 1930. The elections will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

DEMAND FOR SUPPLEMENTARY GRANT IN RESPECT OF RAILWAYS.

Mr. A. A. L. Parsons (Financial Commissioner, Railways): Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 86,30,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March, 1930, in respect of 'Appropriation from the Reserve Fund'."

This is merely a balancing figure, representing the sum which, on the basis of our revised estimate, is required to make up the contribution for the current year to General revenues.

The motion was adopted.

THE CANTONMENTS (HOUSE-ACCOMMODATION AMENDMENT) BILL.

Mr. G. M. Young (Army Secretary): Sir, I beg to move:

"That the Bill further to amend the Cantonments (House-Accommodation) Act, 1923, for certain purposes, as amended, be passed."

When I made this identical motion a week ago, you very kindly advised me to postpone it, in order to see whether any consequential amendments in the Bill were required. There is a consequential and purely formal amendment which is about to be moved by my Honourable friend, Mr. Gwynne. Clause 6 of the Bill has fallen out, and the subsequent clauses have now to be re-numbered. All the other clauses of the Bill have been agreed to by the House. Sir, I move.

Mr. C. W. Gwynne (Home Department: Nominated Official): Sir, I beg to move the formal amendment of which I have given notice, namely:

"That clause 7 be re-numbered as clause 6 and the subsequent clauses be re-numbered consecutively."

The motion was adopted.

Mr. President: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

THE INDIAN INCOME-TAX (AMENDMENT) BILL.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to move:

"That the Bill further to amend the Indian Income-tax Act, 1922, for a certain purpose, be taken into consideration."

Sir, I took the occasion of my motion for the introduction of the Bill to explain very fully the objects and reasons of this simple measure. I do not think it will be necessary for me to take the time of the House any longer in giving further explanations. Sir, I move.

The motion was adopted.

Clause 2 was added to the Bill.

Mr. President: The question is:

"That clause 1 stand part of the Bill."

The Honourable Sir Brojendra Mitter (Law Member): Sir, I beg to move:

"That in clause 1, for the brackets and word '(Amendment)', the brackets and words '(Third Amendment)' be substituted."

The motion was adopted.

Mr. President: The question is:

"That clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

The Honourable Sir George Schuster: Sir, I move:

"That the Bill, as amended, be passed."

The motion was adopted.

THE INSOLVENCY LAW (AMENDMENT) BILL.

The Honourable Sir Brojendra Mitter (Law Member): Sir, I beg to move:

"That the Bill to amend the law relating to insolvency, for certain purposes, be taken into consideration."

Sir, when I introduced the Bill a few days ago, I indicated its purposes. They are designed to remove certain defects in our insolvency law which have recently been brought to notice. They are fully explained in the Notes on Clauses which are annexed to the Statement of Objects and Reasons. I wish merely to add that the time has come when the whole law of insolvency in India should be thoroughly revised. I am waiting for the monumental work of my Honourable friend, Sir Dinshah Mulla, on Insolvency, and as soon as that is published, I intend to take up the general revision of the law of insolvency. Meanwhile we must be content with the removal of the defects as they come to light. Now, this Bill is intended to remove three such defects, which are fully explained in the Statement of Objects and Reasons. Sir, I move.

The motion was adopted.

Clauses 2 to 6 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

The Honourable Sir Brojendra Mitter: Sir, I beg to move that the Bill be passed.

The motion was adopted.

THE INDIAN COMPANIES (AMENDMENT) BILL.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I move that the Bill further to amend Indian Companies Act, 1913, for certain purposes, be referred to a Select Committee consisting of the Honourable the Law Member, Mr. N. C. Kelkar, Rai Sahib Harbilas Sarda, Mr. Fazal Ibrahim Rahimtulla, Mr. A. H. Ghuznavi, Sir Hugh Cocke, Mr. K. C. Neogy, Mr. R. K. Shanmukham Chetty, and the Mover, with instructions to report on or before the 6th March, 1930, and that the number of Members whose presence shall be necessary to constitute a meeting of the Committee shall be four.

Sir, this Bill deals with an important matter which is of considerable interest to the commercial community, but I do not think that I need give any very lengthy explanation of the objects and genesis of the measure. It will be desirable, however, that I should explain, as briefly as I can, the circumstances which have led up to this piece of legislation.

One of the main objects in passing the Indian Companies' Act of 1913 was to ensure that the accounts of companies were properly audited, and it is obvious that, with the growth of Indian commercial and industrial enterprise and the consequent growth in the number of limited companies, it becomes increasingly important to ensure that the audit of these companies' accounts is effected in such manner as is likely to inspire public confidence. Under the law as it stands, there are at present three classes of auditors who are permitted to audit the accounts of public companies. In the first place, the Governor General in Council is empowered to declare by notification that the members of any institute or association specified in the notification shall be entitled to be appointed to act as auditors of companies. Six associations and institutions have been specified, all of them incorporated in the United Kingdom. Secondly, there are the holders of unrestricted certificates granted by a Local Government, who are entitled to act as auditors of companies throughout British India. The Act itself imposes no limit on the discretion of Local Governments in the matter of granting these unrestricted certificates, but by an arrangement made between the Government of India and the various Local Governments, the grant of these certificates is ordinarily confined to persons who have obtained the Government Diploma in Accountancy of the Accountancy Diploma Board, Bombay. Such persons are not, however, permitted to practise in any particular province without first obtaining a certificate from the Government of that province. Thirdly, come holders of restricted certificates, who are entitled to act as auditors only within the territories of the Local Government granting the certificates.

Now, I do not wish, in anything I say, to reflect in the slightest degree upon the present holders of certificates, but it is necessary to explain the reasons why, not only Government but a large number of non-officials, who are interested in this matter, thought that changes were required. As long ago as 1917, the Government of India, in a letter to the Government of Bombay dealing with the question of extending and improving the system under which auditors' certificates were granted, expressed the view that the ideal system was one by which control is exercised by an autonomous association of professional accountants over the professional discipline of its own members. That is what the Government of India and, I believe, commercial opinion generally look forward to as the ultimate ideal. In the second place, a system under which the grant of unrestricted certificates in India is limited to persons who have obtained their theoretical training at one centre is not likely to be acceptable indefinitely, and if there were no other reason, the ever increasing demand for properly qualified auditors would create the necessity for the establishment of other sources of supply. At the same time, the existence of several entirely independent authorities, widely separate geographically, each laying down its own system of training and imposing its own standards of qualifications, would inevitably result in a variety of standards, and would doubtless tend

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to the establishment of a practice of limiting admission to act as an auditor in any province to persons possessing the provincial qualification. Such a development seems to be clearly undesirable. Commercial and Industrial undertakings are no respectors of provincial boundaries; while comparisons between the standards required by different centres would be unavoidable and would be likely seriously to impede the growth of that confidence on the part of the investing public to which I have already referred. Lastly the perpetuation of such a system renders transition to the ultimate ideal of an autonomous institution, to say the least of it, considerably more difficult.

These are the main considerations by which Government have been guided in deciding to move the Legislature to amend the existing Act in such a way as to centralise the procedure for granting certificates to auditors. The Bill itself is a comparatively simple one. It substitutes the Governor General in Council for the Local Government as the authority empowered to grant certificates and to make rules to regulate the manner in which, and the conditions subject to which, certificates will be granted. At the same time it abolishes the power now vested in the Governor General in Council to allow a member of a specified society to act as auditor in India without the necessity of obtaining an Indian certificate. The new certificate will entitle its holder to act as an auditor of companies throughout British India. The Bill also contains provisions enabling the validity of existing certificates to be saved for a sufficiently long period after the proposed enactment comes into force—an obviously necessary precaution to prevent dislocation of business.

Finally, the Bill leaves certain extremely important matters to be dealt with by rules made under the Act; and of those the most important is the constitution of an Indian Accountancy Board consisting of members representing the interests principally affected or having special knowledge of accountancy to advise the Governor General in Council on all administrative matters and to assist him in maintaining the standards of qualification and conduct of persons enrolled on the Register of Accountants which is proposed to be maintained. The rules may also provide for the establishment of local accountancy boards at selected centres. Some special word of explanation is, I think, desirable in regard to this proposed institution of an Accountancy Board, for herein lies the germ of what Government sincerely hope may develop in course of time into the autonomous body which, we hope, will be eventually established. To the principle of an Accountancy Board and the best method of introducing it into our legislation, a very great deal of careful thought has been devoted. It is not in any way a scheme evolved from the inner consciousness of the Government of India, but one which has been examined, elaborated and approved as the result of conferences and discussions between the Government and leading representatives of non-official expert knowledge and experience. It has met with the general approval of the Local Governments and of commercial and professional opinion. As the scheme was originally drawn up in 1925, it was contemplated that the Accountancy Board itself would, subject to the approval of Government, grant diplomas, prescribe qualifications of auditors, arrange for the conduct of examinations, and be empowered generally to carry out the objects of the scheme. But when the scheme was re-examined a little later, in consultation with commercial and professional opinion to which I have referred, it was unanimously agreed that, at the outset, the Board should be constituted as an advisory

body, and this feature of the proposals has met with the approval of a large majority of those who have been consulted. The guiding idea has been that, at the inception of the scheme and for some little time afterwards, the ultimate responsibility should remain with Government, and that to proceed faster would be to imperil the whole fabric and incur the destruction of public confidence.

Now, Sir, I should like to explain the reason why we do not propose that the constitution of the Accountancy Board should be settled by the Act itself but should be left to rules. That was a decision which was arrived at only after very full and careful consideration. What we feel is that, if the constitution of the Board were finally settled by the Act, the scheme would become too rigid. At the outset, we shall only be feeling our way, and it might be necessary, or very desirable, to make alterations from time to time as experience indicates their desirability. If in order to effect a change, however small, in the composition or constitution of the Indian Accountancy Board, we were obliged to have recourse to fresh legislation, I feel that we should be encumbered by unnecessary difficulties.

Finally, Mr. President, I would like to say this, that from the start, our object has been to proceed in consultation with, and with the approval of, commercial and expert opinion. In framing the rules, we shall act in the same spirit, and before framing the rules I have no doubt that we shall call together those who are likely to be members of the Accountancy Board when it is eventually constituted, so that the rules may be drawn up with the full advantage of their advice and assistance.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, I beg to move that the name of Mr. S. C. Mitra be added to the Select Committee.

The Honourable Sir George Rainy: I have no objection, Sir.

Mr. President: The question is that the name of Mr. S. C. Mitra be added to the Select Committee.

The motion was adopted.

Mr. President: The question is:

"That the Bill further to amend the Indian Companies Act, 1913, for certain purposes, be referred to a Select Committee consisting of the Honourable the Law Member, Mr. N. C. Kelkar, Rai Sahib Harbilas Sarda, Mr. Fazal Ibrahim Rahimtulla, Mr. A. H. Ghuznavi, Sir Hugh Cocke, Mr. K. C. Neogy, Mr. R. K. Shanmukham Chetty, Mr. S. C. Mitra and the Mover with instructions to report on or before the 6th March, 1930, and that the number of Members whose presence shall be necessary to constitute a meeting of the Committee shall be four."

The motion was adopted.

THE INDIAN RAILWAYS (AMENDMENT) BILL.

The Honourable Sir George Rainy: (Member for Commerce and Railways): Sir, I move that the Bill further to amend the Indian Railways Act, 1890, for certain purposes, as reported by the Select Committee, be taken into consideration. When I moved that this Bill be referred to a Select Committee in the last Session of the Legislature the form of the

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Bill was very different from the form in which it has returned from the Select Committee. As it was originally introduced, the Bill was little more than an enabling Bill, empowering the Governor General in Council to make rules on the subject of the limitation of hours of work and the provision of periods of rest for Indian railway servants. As it has returned from the Select Committee, the Bill though unchanged in principle, has been to a large extent modified by the incorporation in the Bill of a number of provisions which it was originally intended should find a place in the Rules. I have not the least doubt that this is a great improvement and that the House will concur in that opinion. The most important of the provisions which are now incorporated in the Bill itself are the sixty-hours' week, the weekly rest, the appointment of supervisors of railway labour, a much more limited rule-making power, and provision for the compulsory payment of overtime in certain cases.

Now, to deal first with the question of the sixty-hours' week and the weekly rest. I know that some members of this House, for whose opinions I have great respect, would like to go further. It is not necessary that, at this stage, I should say much on this subject, because a more natural opportunity will occur when the amendments, of which notice has been given, are moved. But I should like to say a word or two to make clear the point of view from which Government have approached the question. Government do not regard this Bill as the final solution of the question of the hours of labour on the Indian Railways, but our first duty, whatever we may hope for in the future, is to implement the obligations we have already incurred and to make the sixty-hours' week and the weekly day of rest fully effective; but if we try to do too much at one time, instead of expediting matters, it may lead to almost indefinite delay.

Again, there is a distinction between what is to be made obligatory by law and what humanitarian considerations, in given circumstances, may make reasonable and proper. If, in a given case, Government say that they do not think that, in this Bill, provisions should be inserted to limit still further the hours of work, it does not mean that Government consider that, in all cases, the maximum hours of work would be reasonable hours of work,—in fact we gave in the Select Committee an undertaking that we would investigate the question with a view to fixing the hours of work at a lower figure than a sixty-hours week for those railway servants whose duties were specially arduous. I have thought it desirable to say so much at this stage, but I do not think it would be advisable that I should develop my ideas on this point still further in view of the amendments which are to be moved.

The only other matter to which I think I need specially allude is the clause in the Bill which provides for the appointment of Supervisors of railway labour. I regard that provision as a very important one, and if we are to make further progress in removing legitimate grievances as regards the hours of work of railway employees, the usefulness of these Supervisors can hardly be exaggerated. They will, in fact, be the eyes and ears of the Government of India to bring to their notice conditions which are unsatisfactory. Their primary duty will, of course, be to see that the law is enforced, but in addition to that, it is my desire and intention that these Supervisors should report to the Government of India cases which come to their notice where, although there is no breach of the law, there is a condition of things which requires improvement on

the ground that, having regard to all the circumstances and conditions, the hours of work of railway servants at a particular place are unreasonable. I think that is of very great importance, because if India is to move forward in this respect, it is not enough to rely solely upon rigid provisions of the law, and a great deal must depend upon the manner in which the law is administered. For instance, in order to do justice to the staff of large and busy stations, where the pressure of work is incessant throughout the day, it may be that a further limitation of the hours may be very desirable, but it does not in the least follow that at wayside stations where there are only three or four trains in a day, it is reasonable to impose precisely the same limitations as might be suitable at the busy stations. I shall hope to get from the Supervisors of railway labour reports dealing with conditions as they exist at particular centres, so that it may be possible for the Government of India to deal with those conditions, irrespective of any legislative compulsion upon them to do so. I do not think, Sir, I need lengthen my remarks at this stage, and I now move.

Mr. N. C. Kelkar (Bombay Central Division: Non-Muhammadan Rural): Sir, I wish to offer a few brief observations on this Bill, and I think I must do so at this early stage, because I have not myself handed in any amendments, and with regard to the amendments that have been sent in, I am not inclined either to support them or to oppose them. I have made myself quite clear in the note which I have appended to the Select Committee's Report. That is a note not of dissent necessarily, nor is it one of entire agreement with the Select Committee's Report. I think I have fully stated my own reasons for taking that attitude in that note itself, and the reason which led me to take up that attitude is that, while on the one hand I do regard the demands of the workers for an eight hours' day as certainly reasonable, on the other hand I think, just as was explained by the Honourable Sir George Rainy himself, that may not apply to all localities and all kinds of work under the control of the Railway, and therefore making a 48 hours' day a statutory provision in the Bill would perhaps be too rigid a thing for practical purposes. So between these two limits, the question will have to be investigated whether, in fairness to the workers, a 48 hours' day also may have to be prescribed. For aught I know, in certain Departments or in certain kinds of work, I am told that 48 hours' work already obtains, and in some other cases it is 56 hours—this is what I am told. On behalf of the Railway Board we were told that an attempt was being made to bring the hours down from 60 to 56. Therefore, I found in the Select Committee that it would not be a very proper course to set the Government committed positively to an 8 hours' day by a rigid rule of law. I accepted the present arrangement now embodied in the Bill as only a first instalment,—I have exactly said so in my note,—and I do look forward to a time, in the not distant future, when even these hours will be still further reduced.

Sir, when I appended my note to the Select Committee's Report, in fact when I did my work in the Select Committee, I had not read the literature about this business, which I have subsequently read, and I may frankly tell this House what my impression has been after reading that literature. My impression has been that Government have been grossly negligent of their duties in respect of putting into legal shape their obligations with regard to the Geneva and Washington Conventions. The Conventions were embodied in certain Articles, I think, in 1919 or 1920. This Government expressed their ratification of the Conventions in 1921

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and 1923. The question, therefore, naturally arises as to what prevented Government, since 1921 or 1923, from giving that agreement a strictly legal form, which they themselves regarded as necessary, up to this time for several long years. What was it that kept them back from undertaking the necessary action in this matter?

In 1927, Government, in reply to a question on the subject, said that the limitation of 60 hours would be applied to certain specified branches of work by executive order, but the specification can only actually fulfil the terms of the Convention when made by a competent authority. The question naturaliy arises, what was there to prevent Government from selecting or fixing upon the competent authority and at once proceeding to legislation on the subject. Were they in need of legal assistance or advice in the matter? Supposing they wanted both, were they not available at an early stage? Why did they waste all these seven years in proceeding to fix the competent authority and embodying those two provisions in the law, as they now have done. If they had done so before, then one more thing would have happened, namely, the consultations between employers and the employed. That would have been possible. We are now told that consultations have not been held because no competent authority was fixed. No rules were made and no schemes were put into operation. Things have been happening in a haphazard way and not under any settled scheme of rules. Therefore my contention is that Government have been in this matter grossly negligent. In 1929, in the course of the debate on the demands for grants, the question was raised whether a new Member should be added to the Railway Board. In that connection I think it was Sir Purshotamdas Thakurdas who suggested that there was no necessity for the addition of an additional Member, because, if it was alleged that the appointment was made necessary by the work involved in giving effect to these Conventions and other things that work might well be postponed for a year or two. That is what he simply suggested, and Sir George Rainy said this to him in reply. He regretted the words in which Sir Purshotamdas Thakurdas referred to the Geneva Convention, mentioned that there were other countries which had failed to satisfy their obligations under that Convention, and said that, if we had to wait for another year or two before we carried out our obligation it did not matter very much. Then he said, "I think it would be very regrettable if that were to be taken to be the general feeling of the House". Of course that was not the feeling of the House. That is not the feeling of the House even now. Sir George Rainy further said:

"India has an excellent record as regards carrying out all international obligations. I feel almost a sense of shame" (*Shame came to him then when it was a matter of appointing a new Member of the Railway Board*) "and unless that particular matter in the Railway Department was carried out, I cannot claim that we have fully satisfied our obligations."

That was a legitimate argument for opposing the suggestion that a new Member should not be put on the Railway Board, but what answer has Sir George Rainy to give, I really wonder, for no action having been taken by Government all these long seven years. What was there to prevent Government from taking the necessary action? After all, it is Bill of two or three clauses. Nothing beyond that. The competent authority, it goes without saying, is the Governor General in Council. What legal advice or assistance did Government require to justify their

putting off action till this day? I get a clue to this dilatory action of the Government in the proceedings at the Convention. I am reading from a book by Hetherington on the subject of "International Labour Legislation". There he gives the history of what happened at the Convention itself. Countries were taken up for treatment, and only in the case of certain oriental countries exceptions and exemptions were allowed and special mention is made of India in this connection, and also of Japan. What is said about India is this:

"The representatives of the Government of India were somewhat unwilling that the Commission should make any substantial recommendations in the case of India." (*They wanted the entire matter to be left to the pleasure of the Government of India.*) "They indicated that the main difficulty in the way of an immediate enlargement of the Factory Acts . . . was the complete absence of information as to the smaller industries of India. The Government, therefore, was quite unable to measure the administrative responsibilities which an extension of the Acts would require it to undertake. It was at the moment engaged on an inquiry on this point; and it desired that the Conference should delay the consideration of the Indian position until the results were available, and the Government had had time to submit its proposals.

The Commission, however, was not unsympathetic to the plea of the Indian Labour delegate that the Government would be nothing the worse for a little stimulation; and, especially in view of the suggestions it was making to other oriental countries, it thought it well to take a large view of its duties than was contemplated by the Government spokesman. It therefore embodied in the Convention a definite prescription with regard to India." (*Then the prescriptions are given. Of course some latitude was given to the Government.*)

But there is an important clause here which reads:

"The researches at present in progress should be expedited, so that, at the earliest possible date, the Government of India might be able to lay before the Conference its proposals for a still further extension of labour protection."

Now, it appears that it was represented by the Government of India before the Convention that Government were already busy with their own schemes and adjustments, and so on, in order to come into direct line with the recommendations of the Convention, and apparently they have taken nine or ten long years in order to complete their researches, and they have not even now completed their researches. In the Select Committee it was put to us that it would require a great deal of time to go into the details about these things, namely, the hours of employment, the period of rest and so on. I innocently thought that it might be so, and I have said in my note that some adjustments would be necessary and details would have to be worked out. I quite admit that work of that kind is necessary, and therefore I was opposed at this stage to a rigid rule of law committing Government to a sixty-hours' week uniformly for all kinds of work and for all kinds of locality, but I took care at that time to get from the Railway Board an assurance that an investigation had been started by Government and will be continued with a view to fixing hours of work at a lower figure than 56 hours a week for those railway servants whose duties are specially arduous and involve continuous concentration. Now, coming back to the point I just now mentioned, in practice we are told that even 48 hours' work is the rule in certain matters. 56 hours applies to certain matters, and Government are making an attempt to come down to 56 hours in cases where they have not already done so. But the rule of law which is now laid before the House provides only for 60 hours. So I take it that, within the limit of 60 hours, they are going to have certain schemes ready in order that they may prescribe different scales of hours of work and rest, etc., for different kinds of work and different localities. But we are, up

[Mr. N. C. Kelkar.]

to this time, absolutely in the dark as to what has been done and what is being done. I may again today raise the same question about the lack of information made available to the Members of the Assembly when matters of this natura are brought before the House in a number of ways. I shall therefore like the Honourable Member for Railways to make a clear statement as to what is being done and what are their intentions with regard to the bringing down, of their own accord, the hours of work from 60, which is mentioned in the Bill before us. It is only when we feel satisfied that honest efforts are being made to come down from that margin of 60, that we can consider whether we should support a definite amendment for 48 hours or not. I do not wish to say anything further on this Bill. I have expressed my views in the note. I wanted however to take advantage of this opportunity to make a few observations and to tell the House exactly what I had in my mind when I signed the Report of the Select Committee, as I have myself not given notice of any amendments.

Diwan Chaman Lall (West Punjab: Non-Muhammadan): Sir, as I listened to the speech that has just been delivered by my friend Mr. Kelkar, I felt that the time had arrived when not only should the Government of India appoint a Labour Member for the Railway Board, but that non-officials should equally appoint a Labour Member to assist them with the work of co-ordination in respect of labour legislation. I think my friend Mr. Kelkar will agree with me, because I say this in no disparagement of him, that he always takes a very kind interest in labour matters himself. But I was surprised when he made the following statement: "I want to know what is being done in order to reduce the hours from 60". Sir, I looked in despair towards him and the other Members of the Legislative Assembly who were members of the Select Committee. Surely, it was their duty as members of the Select Committee to find out what the Government has done so far in regard to the 60 hours, and what they have not done. Why did they not find this out in the Select Committee and why did they not ask the Railway Department to place their files before them for investigation? Why did they not get at the real position as to what the actual facts are in regard to the application of the 60 hours today on the railways in India? To come to this House and then demand from the Honourable the Railway Member as to what he has done, after having signed a minute of dissent on the Select Committee, seems to me to be a very surprising proposition. It seems to me to be putting the cart before the horse. Before signing the minute of dissent or before putting their signatures on the document which was presented by the Select Committee, it was the obvious duty of every Member to get all the facts relevant to this proposition. If they were not brought to the notice of any Honourable Member who put his signature to this document, then I say that he put his signature to this blindly without having realised the implications which are inherent in the Report of the Select Committee.

Mr. N. C. Kelkar: We will not allow the Government to proceed with the Bill now.

Diwan Chaman Lall: I agree with my Honourable friend. Although the information may not have been elicited in the Select Committee,

yet the case cannot be allowed to go by default and we must get that information. May I, in reply, say that the information is really available. The information is not a secret document which the Honourable the Railway Member carries in his breast pocket nor is it only to be found in the archives of the Government of India. The information is available and can be obtained from every employee of the Railways. Any railway employee who suffers because of the present system of hours is in a position to inform the Honourable Members of this House as to what exactly is the situation.

Mr. N. C. Kelkar: We would like to know that from you.

Diwan Chaman Lall: My Honourable friend would like to know that from me. I have not as yet accepted the portfolio of the Honourable the Commerce Member, and therefore it is not my business to enlighten the Honourable Member, but I will certainly make an attempt if the Honourable Member would like me to do so. Now, what is the actual position? The position is that that in the year 1919 the Government of India obtained a special exemption as far as India was concerned in the application of the Washington Convention.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore cum North Arcot: Non-Muhammadan Rural): It is not right.

Diwan Chaman Lall: I will read out the actual wording of the Report to my Honourable friend to prove that it is right. I would go so far as to say that not only did the Government of India obtain this exemption for reasons stated by Mr. Joshi who was representing the workers of India but that certain exemptions were obtained for Japan and for India. Mr. Joshi, in his speech, made this statement:

"At the outset it is my duty to explain that personally I do not approve of the idea of excluding India altogether from the main Convention on this question to be applied to Western countries."

He said he did not agree with it. I do not know what exactly my friend Mr. Shanmukham Chetty was referring to when he said that that is not correct. What is not correct? Was not an exemption obtained?

Mr. R. K. Shanmukham Chetty: No exemption was given to India under the Washington Convention at all.

Diwan Chaman Lall: In that case all that I can do is to read out the Washington Convention and convince my friend, Mr. Shanmukham Chetty, that there is a special provision in the Convention exempting India. If he will kindly turn to the Convention, he will find Article 10, to which I want him to pay special attention. It runs thus:

"In British India the principle of a 60-hour week shall be adopted for all workers in the industries at present covered by the Factory Acts administered by the Government of India and in such branches of railway work as shall be specified for this work by the competent authorities."

This is however not the case with other countries where they have a 48-hour week. I would like Mr. Chetty to explain how he says that that is not so. Is not the exemption there in Article 10? Has he got any other copy of the Washington Convention which does not contain Article 10? Article 10 does give special exemption to India.

Mr. Tin Tut (Department of Industries and Labour: Nominated Official): It is a special provision, not a special exemption.

Diwan Chaman Lall: This is only hair-splitting. My Honourable friend says it is a special provision and not an exemption. What does the special provision mean? Does it or does it not mean an exemption?

Mr. Tin Tut: It does not mean exemption from all provisions. It is a special provision made for India.

Diwan Chaman Lall: It means a special exemption in regard to 48 hours of work and that is all we are discussing. Does it or does it not mean that? Every other country has got a 48-hour week, but for this country there is a provision, which amounts to a special exemption for India, giving her a 60 hour a week. I do not know what my Honourable friend is worrying about. What is the actual effect of it? Is it not this, that India is put on a special basis, a distinguishing basis, a different basis, a differential basis, namely a basis of a 60-hour week?—Is that correct?

Mr. Tin Tut: It is correct.

Diwan Chaman Lall: I take it therefore that there is special treatment as far as India is concerned in regard to this matter. Now, the point is this. This happened in the year 1919, and since then ten years have elapsed. What has the Government of India been doing during that period of ten years? Why did they not undertake a revision before this period of ten years? In this connection, Sir, I wish to point out to the Honourable Member opposite that, not only was it incumbent upon the Government as a matter of general policy, or as a matter which was brought to their notice time and again by public opinion in this country as represented by the workers, but there was a provision laid down in Article 10 itself which anticipated a revision of this special provision at a meeting of the General Council. May I read out that particular provision? It reads:

"... but further provisions limiting the hours of work in India shall be considered at a further meeting of the General Council."

Since this special exemption was obtained by the Government of India, I want to know whether this provision in Article 10, namely, an anticipation that this matter of reduction of hours from 60 will be considered again at a General Conference, whether this provision was taken notice of. I want to know whether action was taken by the Government of India to press its attention upon the Conference in order that the Conference should undertake a reduction of hours from 60.

Mr. B. Das (Orissa Division: Non-Muhammadan): Why did not the Honourable Member raise the question when he was at Geneva?

Diwan Chaman Lall: I cannot help my Honourable friend's ignorance. If my Honourable friend does not read the Reports of Conferences at Geneva and elsewhere to which he goes as an Adviser, it is not my fault. I am not here to enlighten my Honourable friend. If he had read the Reports, he would have found that time and again

those who have gone to Geneva have raised this matter of reduction of hours, and we have brought it prominently to the notice of the delegations assembled at Geneva. It is not my duty, I am not the Government of India that I should do so. It is their duty if they have due regard to these matters. It is their duty to take up this matter with the General Conference. It is their duty to take up the matter with the delegates assembled at Geneva in order to discuss whether the time has or has not arrived for a reduction of hours from 60. If, instead of doing so, the Honourable Member comes here ten years afterwards and says, "For ten years I have not honoured this obligation which rested upon me as a Member of the League of Nations", although it is perfectly clear that it is not obligatory upon them to carry out any of the ratifications of the International Labour Conference, yet it is a moral obligation which rests upon their shoulders. They say, "For ten solid years we have kept quiet about this and now we come forward". With what? With the very same provisions which obtained ten years ago and which I say cannot be held to be valid today. I want to know why the Honourable Member did not obtain the sanction of the Government of India in order to reduce the hours from 60 to 48, as he should have done in compliance with the general rule that applies to other countries. Even Great Britain, after a good deal of fight at the last Session, declared her policy and her intention to ratify this particular Convention. They had some internal trouble with regard to this matter, but that did not affect the position that, generally speaking, the eight hours' day prevails throughout Great Britain. My point is this, that now after ten years of experience of the working of this particular measure in other countries, after ten years of exemption that they obtained—being under that exemption—after ten years of trial and waiting, without having ratified this Convention, why at this particular stage does the Government of India come forward with a proposal of this nature?

Mr. M. G. Kelkar: Is there not a Conference next year?

Diwan Chaman Lall: My Honourable friend, Mr. Kelkar, has given the answer. The answer is that, after ten years, the matter has got to be revised and the matter will come up before the Conference again, and the Government of India want to go with a white sheet, looking like angels, to the League and say, "Look, we have ratified this Convention". The Government of India know perfectly well that, within a short period, this matter will come up before the Conference for revision. I daresay, when the matter does come up for revision again, and if this House gives its consent to this provision of sixty hours a week, the result will be that the hands of the Government of India will be strengthened and they will go to the Conference and say, "We have in this the representatives of the people of India behind us; they accepted a 60-hour week and we do not wish to propose any amendment to this particular legislation." Now, it is a dangerous thing, an exceedingly dangerous thing, from all points of view, for any Honourable Member who has the interest of his country at heart to give his consent to this provision of a 60-hour week, and I hope Honourable Members will realise the full import and full importance of this. I know that objection can be raised and it can be said that other industries in this country are not working on the basis of 48 hours a week, and therefore why should railways alone adopt this provision.

[Diwan Chaman Lall.]

My reply to them is twofold. My first reply is this, that, even on the railways today, *almost* a general rule prevails of an eight hours' day. I take it that, generally speaking, in the running staff it is an eight hours' day, I mean generally speaking. In the workshops it varies from 42½ hours to 48 hours a week, generally speaking. Of course, there are exceptions, as the Honourable Member knows perfectly well. If that is so, where in actual practice in many cases you have an eight-hour day or perhaps a nine-hour day in some other cases, why should we be tied down to a sixty-hour week, or ten hours a day? Why should this Assembly shut its eyes to the actualities of the situation in order merely to give the Government of India a tactical advantage over us with regard to a sixty-hour week. I want to know what is the justification for this?

Then, my second point, and a very important point, is this. The other day, I read in the newspapers that, when a similar matter came up before the Legislative Assembly, namely, the question of a minimum wage fixing machinery, what was the reply of the Government of India? The reply was this, "We do not intend to deal with this matter at this stage because we have appointed a Labour Commission and we shall await the Report of the Labour Commission". Now, if this was the idea in the mind of the Government of India, that is, they must await the expert Report of a particular body on a particular subject before they could take any action, which action they could have taken already, because they have had the expert Report before them, namely, the Resolutions, the Conventions and the draft recommendations passed at Geneva in 1928—they had the consensus of opinion of the entire world which sends its delegates to Geneva who, after a full and representative debate with all the experts that assemble there to thresh out the whole problem—if in spite of all that expert opinion available, the Government of India still say, "No, we must await the Report of the special inquiry that we are conducting through the Labour Commission", then what I say of their attitude in regard to this matter?

Mr. Tin Tut: Those experts had no knowledge of the special conditions that obtain in India.

Diwan Chaman Lall: Well, Sir, this bogey of special conditions is always trotted out for the purpose of differential treatment. They know perfectly well that there are no special conditions in India. I challenge my Honourable friend to tell me what special conditions there are in India, which prevent him from giving the railwaymen an eight-hour day. I challenge him to say, on the floor of this House, what special conditions there are which prevent him from giving the railway workers a 48-hour week. Will he accept my challenge and tell me? I pause for a reply.

Mr. Lalchand Navalrai: (Sind: Non-Muhammadan Rural): Perhaps he will tell you that we are more manly and able to work long hours.

Diwan Chaman Lall.: I know there are no special conditions.

Mr. Tin Tut: I have no special knowledge of railway workers in India.

Diwan Chaman Lall.: Quite so. Why did my Honourable friend so quickly jump to his feet and interrupt me?

Mr. Tin Tut: I did not refer to railway workers.

Diwan Chaman Lall: If my Honourable friend does not refer to railway workers, then what are the special conditions which my Honourable friend wants to know and of which he has no knowledge? Either he must be ignorant of this, or I must confess that he very ignorantly interrupted me in my speech. I take my stand upon this, and I challenge any man to contradict me on this point, that is, there are no special conditions in India which will prevent the Government of India from giving a 48-hour week. Well, they may turn round and say, "It is all a question of finance, it is all a question of detailed adjustment". If it is a question of detailed adjustment, it is up to them to limit themselves to a fixed period and say, "Until our inquiries are complete, which may take say, six months or eight months or one year or even two years, we shall have this provision". I say, give us a guarantee that, after a definite period, we shall revert to the 48-hour week. If it is a question of finance, my reply is this; in a matter of this kind you cannot bring in your plea of finance. It is an urgent matter which will brook no delay. It is very unjust for you to treat the railway workers in the way you want to; it is unfair that you should squeeze all the money that you can from the blood and sweat of the railway workers and say, you cannot give a 48-hour week merely because there are special conditions in India and special questions which differentiate India from the other countries of the world.

Now, Sir, I do appeal to Honourable Members to look at this problem carefully. There are other problems connected with this Bill

1 P.M. which I shall deal with as the amendments come up; but I rose merely to make my appeal to Honourable Members to regard this as a serious problem and to ask the Government of India, why they could not have also waited in regard to this provision until the Report of the Labour Commission was published? Here again, Sir, logic will drive the Government of India into a contradiction, and here again I will be told that this is a different case. Again the question of differential treatment,—minimum wages, one proposition, sixty-hour week, a different proposition. All these matters have been submitted to your own Committee which you have appointed; yet you will take time by the forelock, come before the Legislative Assembly and say that you want a sixty-hour week and not await the result of the Committee you have appointed. You cannot have your cake and eat it. Is the urgency of the problem such that you must go ahead with it? But if you plead urgency, then may I ask, who is urging you? Is it the worker? He will thereby be adversely affected both by the Geneva Convention of 1921, which you are implementing, and by the Washington Convention of 1919, which you are implementing. Is it the worker who is urging you? Is there any body of workers whose plaints you are giving effect to in regard to this matter? I ask, where is the urgency then? Wherein lies the urgency except to save your faces at the next Conference, when there is a revision of this matter to be undertaken at the Geneva Conference? Where is the urgency? I say, Sir, the time has come when Honourable Members on this side of the House ought to look upon these problems not from the narrow industrial point of view, but from the wider national point of view, namely, the interest of the working classes. You cannot have an Army, Industry in this country with a C. 3 population; and if you are going to permit the Government of India, one of the biggest employers

[Diwan Chaman Lall.]

in this country, to bring in this kind of differential treatment, you may just as well say farewell to all sympathetic contact between the working classes on the one side and the rest of the people on the other. And I ask my Honourable friend, Sir Purshotamdas Thakurdas, who is a big industrialist, can he give me any justification why he should not be supporting this measure of a 48-hour week, except merely perhaps on account of its repercussion on other industries? Let us be honest and straightforward. Either a case has been made out for a 48-hour week on the railways or not, and if a case has been made out for a 48-hour week, it is no concern of ours to consider what its repercussion will be upon other industries. And if a case has been made out,—and I hope we shall be able to establish conclusively that a case has been made out,—I hope my Honourable friends will vote for the proposition of Mr. Abdul Matin Chaudhury.

Mr. R. K. Shanmukham Chetty: Sir, I am not in the least surprised at the enthusiastic plea of my Honourable friend, Diwan Chaman Lall, in favour of the adoption of an 8-hour day on the railways. As was pointed out in one of the reports of the Director of the International Labour Office, "of all the subjects of social reform, an 8-hour day is nearest to the hearts of the workers"; and it is no surprise, therefore, that my Honourable friend, representing the workers of India, grew enthusiastic in advocating the adoption of an 8-hour day in India also. If it was the intention of my Honourable friend to take the Government of India to task for the inordinate delay of nearly ten years in applying the provisions of the Washington and Geneva Conventions to the workers on the railways, he has my entire sympathy. But if it is his intention to ask this House to adopt an 8-hour day for the railway workers, I am afraid I must oppose any such move, and I have no doubt that the House will turn down the proposal. My Honourable friend knows a good deal from first-hand information of the work that is being done in the International Labour Organisation at Geneva. Sir, I may claim also some first-hand information of the great work that is done by that International Organisation. My Honourable friend said that, in Washington, a special exemption was given to the Government of India from the provisions of the Washington Hours Convention. I must inform this House that it is not correct to say that the Government of India were given any exemption in this matter. The provision for 10 hours' work per day for the Indian labourer was a part of the Washington Hours Convention, and this provision was included in the Convention at Washington, not as a matter of favour to the Government of India or to the Indian employers, but as a matter of right granted to India in the Articles of the Treaty of Versailles. If Honourable Members will turn to Article 427 of the Peace Treaty, they will find this special provision:

"They recognised that differences of climate, habits and customs, of economic opportunity and industrial tradition make strict uniformity in the conditions of labour difficult of immediate attainment."

It was the object of those who were assembled at Washington to introduce a uniformity of legislation in matters of hours of work throughout the world, but it was recognised by the authors of the Washington Convention that, if any attempt at social legislation like this were to prove

successful, it was a condition precedent that no country should have any advantage over any other country. It was recognised that an 8-hour day production in any particular country might not be the same as an 8-hour day production in another country. They recognised that, for the successful working of this Convention, it was necessary to take account of the fact that there were differences of climate, habits and customs, and of economic opportunity which make it necessary that differentiation, if necessary, must be made between one country and another. It was, I submit, under the provisions of this Article in the Treaty of Versailles that the clause relating to a 10 hours' working day was embodied in the Washington Convention; and in the face of this fact, it is not correct to represent that the Government of India were shown any special favour, or were granted an exemption from the operation of the Washington Convention. My Honourable friend asked, and challenged my Honourable friend on the opposite side to prove, if there were any conditions peculiar to India which warranted the adoption of a ten-hour day as against an 8-hour day in the European countries. My Honourable friend said that he did not know about the railways. Well, Sir, I will ask my Honourable friend, Diwan Chaman Lall, whether, taking into consideration the industrial efficiency of the Indian worker, he could say that, in a factory in India, the worker could turn out the same amount of work in eight hours as a worker in Western countries can do in the same time.

Diwan Chaman Lall: Does he get the same wages? He gets one-fifth of the wages.

Mr. R. K. Shanmukham Chetty: He will get the same wages when he does the same work.

Apart from inefficiency due to climatic conditions, I would draw the attention of my Honourable friend to a passage that occurs in a certain Report. The United Textile Factory Workers' Association of Great Britain published in 1927 a Report of an inquiry which was made in India during 1926. The Report states that:

"The hours of work in cotton spinning factories are in accordance with the provisions of the law. The machinery is kept in motion for ten hours per day but the individual worker does not work continuously for the whole day as he is allowed time for prayers, bathing, smoking, etc."

Diwan Chaman Lall: This is not a fact. The engineers are kept working for 11 hours and not 10 hours.

Mr. R. K. Shanmukham Chetty: The machinery is working only 10 hours per day. I would invite my Honourable friend to go into any cotton mill and verify it for himself. The Report adds that it is doubtful whether more than eight hours' productive labour is performed by individual workers.

Diwan Chaman Lall: Therefore bring it down to 48 hours.

Mr. R. K. Shanmukham Chetty: If you bring it down to 48 hours, the productive hours will be reduced to probably six hours per day. When it is already ten hours per day, we have got here an authoritative finding

Diwan Chaman Lall: I question that authoritative finding. Whose finding is it?

Mr. R. K. Shanmukham Chetty: The finding of the United Textile Factory Workers' Association of Great Britain.

Diwan Chaman Lall: Authoritative!

Mr. R. K. Shanmukham Chetty: Which conducted an independent investigation of the conditions of work in textile factories in India.

Diwan Chaman Lall: Mr. Tom Shaw.

Mr. R. K. Shanmukham Chetty: In the face of these facts, it is idle to contend that we must adopt the eight hour day in India also. My Honourable friend drew the attention of this House to the fact that the Washington Convention will shortly come in for re-examination and revision if necessary. Last year, in the 12th International Conference, Mr. Joshi attempted to have a resolution passed requesting the governing body of the International Labour Office, in revising the Washington Convention, to reduce the hours of work in India from 10 to 8 hours per day, and as a result of a compromise arrived at between the Government delegates, the employers' delegate and the workers' delegate, the formula was changed. The governing body has now been instructed, in re-examining the Convention, to go into the question whether the economic conditions in India have so altered as to warrant the reduction of the working day from 10 to 8 hours. Before the result of that inquiry by the governing body is available, I would submit to my Honourable friend that it is premature to ask this House to adopt an eight hours' day. My Honourable friend is perfectly correct in saying that, though there may not be objections for adopting the eight hours' day on the railways, excepting the financial burden that it might impose, its repercussion on the general industrial position in India would be of a very serious nature, and as one interested in the industrial development of India—and I can assume that my Honourable friend, Mr. Chaman Lall, is one of those who would like to have a healthy growth of industrial development in India,—I would request this House not to make any departure from the provisions of the Washington Hours Convention as applicable to India, and not to adopt any motion which seeks to reduce the hours of work from 10 to 8 per day.

Mr. A. M. Hayman (Railway Board: Nominated Official): Sir, I intervene at this stage only to make a few brief remarks because I feel that the whole question as to whether we should adopt a 48 hours' week or a 60 hours' week will come up for fuller discussion when there is a motion for an amendment. I feel it necessary, in the first place, to draw attention to the fact that it was the original intention, if one judges from the history of the case, when article 10 of the Washington Convention was drawn up and which fixed the principle of a 60 hour week for India, that that principle should apply only to such branches of railway work as correspond to work done in workshops and in factories. There is abundant evidence, Sir, for the statement that I make. What did we on our railways do in actual practice? We at once, as quickly as we possibly could, took action to give effect to the principles so far as our workshops and our mines were concerned. We went a step further also in actual practice, and we did begin to apply the principles embodied in the Convention

to other classes of our railway servants. I make bold to say that we did begin to apply this principle ten years or so ago to other classes of railway servants. If a charge is made against us that we have not moved as fast as we bught to have, I am not going to defend that charge. But we have, from humanitarian considerations, and because we did want to do the best that we could for our men, moved forward, and we have done a great deal in past years to reduce the hours of work of our railway servants of all classes. I can prove by details that we have reduced the hours of work of many classes. I want to say also that we have spent money, lakhs of rupees, during the last ten years in employing additional establishment necessary on account of our reducing the hours of work of certain classes and that we have invested large sums of money in providing additional quarters for our subordinate establishment. It is difficult for me, at this stage, to separate how much we spent on additional quarters on account of our reducing the hours of work and how much for other considerations. But I happen to remember the total amount that we spent in the last six or seven years in providing additional quarters for our subordinate establishment, and it is seven crores of rupees.

I pass on next to another point which my Honourable friend, Mr. Kelkar, made, and I think we, on this side of the House, are obliged to him for making it. It was the charge that we should have brought this Bill earlier. We, Sir, only some time last year realised that the proper thing that we ought to do in this matter of ratifying the Washington and Geneva Conventions was to bring a Bill before this House. Up to that time there were impressions in the Government of India that the whole matter could be dealt with by executive orders, and it was by executive orders on our State-managed Railways that so much has been done as I have already shown and it was because the Company-managed railways were ready to follow the lead given by the State-managed railways that they too reduced their hours of work, and they too had to spend a great deal of money on that account. But Government, some time last year, realised that the proper thing was to bring forward a Bill before this House, and they worked towards it as quickly as they possibly could, and they brought forward a Bill during the last Session. That Bill was not passed at the last Session, and nobody was more sorry than I myself for that, because I had my plans to give effect to it all worked out, and I would never have been charged, by my Honourable friend, Mr. Anev, that money provided for improving service conditions was not spent. I would have been only too glad to spend the money for the improvement of the service conditions of our employees.

Now, Sir, we are also charged with not trying to move fast enough, with not trying to do all that we could do. My long training, Sir, in finance has taught me, when anybody makes that charge, to look at the bill of cost. What is the bill of cost in this case? We are ready to spend within eighteen months or so from today, a recurring expenditure of Rs. 50 lakhs, in order to give better hours of work for our railway servants, and about Rs. 75 lakhs to provide them with more quarters. I say, Sir, that it is a telling reply to any charge against us, that we are not now moving as fast as we should. I do not wish, Sir, to follow too closely all the arguments made by my Honourable friend Diwan Chaman Lall, because my Honourable friend Mr. Chetty seems to me to have met most of them

[Mr. A. M. Hayman.]

completely, but I do think I ought to say what was in our minds when we examined the question as to whether Government should not try to work to some lower figure than 60 hours a week. We decided to be guided first and foremost by humanitarian considerations. We do not expect any one of our workers to work for a number of hours that will undermine his health. But we did take into account one or two other considerations. We did take into account the fact that conditions in India are different from other countries; that the outturn of work by the labourer here is less than in other countries. We do, as we are responsible to the taxpayer, see that we get value for the money, and we also do take into consideration the possible effects of our action on other employers of labour. I would only add this, Sir, I do not want to make too much of the point because, for one reason I have not verified the information, but I heard it said the other day by a gentleman who is responsible for running a large railway in America, that a system of 17,000 miles was managed with a lower number of employees than the number we in India are employing on the Eastern Bengal Railway, which has a mileage of only 2,000. We have got to take such facts into consideration. No doubt, Sir, we as a Government Department, as a large employer of labour, ought to be guided by humanitarian considerations; we will do our best for our men; we will see that their health is not impaired; we will give them quarters near their work where necessary, and do all that we possibly can to make them live in healthy surroundings; but we have, when dealing with service conditions, to take into account what the possible effects upon other employers will be. I say again that we will do all that is possible in this matter to ameliorate the service conditions of our employees, but that we must pay attention to the interests of the taxpayer, i.e., we must see that we do get value for money.

Mr. K. C. Roy (Bengal: Nominated Non-Official): Normally speaking, Sir, any attempt to tinker with the Indian Railways Act would have met with opposition from me, because I am one of those who believe in a thorough and exhaustive revision of the existing Railways Act. The Act is fifty years old, and only a small amendment was made some time ago to bring into being what is known as the Indian Railway Board. I may also mention to the House that the Honourable Mr. Jinnah moved a motion in the Imperial Legislative Council for the revision of the Indian Railways Act. This was opposed by Sir George Barnes on behalf of Government, and was lost on the floor of the House. Ever since, very little attempt has been made to improve the Indian Railways Act and to bring it into line with modern conditions elsewhere. When I got notice that there was to be a Bill to amend the Indian Railways Act, my first inclination was one of opposition, but when I read the Bill, I found that it was a very beneficent measure, calculated to improve the conditions of Indian labour. I at once agreed to support it. I owed my seat on the Select Committee to my Honourable friend, Mr. Chaman Lall. It was he who suggested that I should go on the Select Committee, as it would give me an opportunity to look into labour conditions. When we were sitting on the Select Committee, I thought Sir George Rainy, a shrewd Scotchman, was going to be stiff and tough, but I found him very genial, always anxious to oblige, and in fact he was prepared to go far beyond what my Honourable friend Mr. Shanmukham Chetty and others of the same school could desire. Mr. Hayman

who, it is true was in that Committee, not as a member, but as adviser, was very anxious to go a long way to meet my friend Mr. Abdul Matin Chaudhury. Although he was not prepared to legislate for a 48-hour week, he was prepared to meet him as far as possible. Here I may mention, for the benefit of the House, the clause as it stands in the Bill:

"A railway servant, other than a railway servant whose employment is essentially intermittent, shall not be employed for more than sixty hours a week on the average in any month."

The House will note the expression "not more than sixty hours". And with the assurance which Mr. Hayman has just given, Mr. Abdul Matin Chaudhury can have no reasonable cause for apprehension.

Sir, I approach this Railway Bill from three standpoints. I approach it as a representative of the taxpayers' interests as one who is interested in employment of private labour, and as one who wants to see that the Indian railways flourish, on a sound financial footing. Only recently it was my privilege to speak in this House about the net surplus of Indian railways for the last five years. This surplus can only be regarded as unsatisfactory. I therefore asked Mr. Hayman, supposing we were to legislate for 48 hours a week, what would be the expenditure involved. He said that a good part of the net surplus would be swallowed up. That was a position to which I was not prepared to agree. From my own experience of the employees on railways I know that they are very well looked after. They are employed on the best industrial service in the whole of India. They are very carefully looked after not only by the Agents and by the other superior officers of the railway, but also by the railway medical men. They are provided with excellent houses and they live under conditions of abnormal life quite different from those working in factories or other industrial workers in cities like Bombay and Calcutta under abnormal conditions. This is also one of the grounds on which I am opposed to 48 hours a week.

My next reason was the effect of a 48-hour week on private employment. Already the growing charges of the civil administration of this country and also of the railways have materially affected the position of private employment. I think Government have been too considerate in fixing the salaries for their subordinates as well as for their officials; the result is that it is slowly becoming a difficult problem to get suitable candidates for private employment on economic rates. In the circumstances, I felt that it was my duty to oppose a 48-hour week. What I feel we want is a sound financial foundation for our railways. But if you bring into legislative enactment at once a 48-hour week, the net result would be that it would absorb a substantial portion of our net railway surplus every year.

Lastly, Sir, if I may say a word of warning to my friend, Mr. Chaman Lall. My recent experience about railways in India has taught me that discipline and attention to work, which used to be the feature of railway works in India, are slowly going down. The standard of efficiency has also suffered. To a certain extent we at this House must be prepared to bear the responsibility because too many questions about railwaymen's grievances are brought before this House. The time has come when we must consider seriously the advisability of starting a "Grievance Committee".

[Mr. K. C. Roy.]

unless we have committees of this sort like the Whitley Committee, the discipline of the railway services will suffer by the present method of bringing these questions before the House. I support the Bill, Sir, and unlike Mr. Kelkar, I will vote for the consideration of the Select Committee's Report.

The Assembly then adjourned for Lunch till Twenty Minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Twenty Minutes to Three of the Clock, Mr. President in the Chair.

MEMBER SWORN.

Mr. T. N. Ramakrishna Reddi, M.L.A. (Madras ceded Districts and Chitoor: Non-Muhammadan Rural).

THE INDIAN RAILWAYS (AMENDMENT) BILL.

Mr. President: I think I had better put the question; other speeches will follow on the amendment.

The question is:

"That the Bill further to amend the Indian Railways Act, 1890, for certain purposes, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Mr. President: The question is that clause 2 stand part of the Bill.

Maulvi Abdul Matin Chaudhury (Assam: Muhammadan): Sir, I move:

"That in clause 2, in sub-section (*1*) of the proposed section 71C for the word 'sixty' the word 'forty-eight' be substituted."

When this Bill was referred to the Select Committee, I pleaded for an eight-hour day for the railway workers, and I need hardly repeat that this demand for an 8-hour day is a demand for the barest act of social justice to the workers. It is universally conceded that the workers must have rest, that they must have recreation and that they must have time for the discharge of their social and family duties, just as my friend Mr. Chetty or my friend Mr. Hayman should have. This principle of an 8-hour day is generally accepted throughout the world as a principle for hours of work in all industrial and commercial undertakings. In England 92·6 per cent. of the workers work on an 8-hour day and less; under an agreement that has been entered into between the National Union of Railwaymen and the employers, the railwaymen in England work for 48 hours a week, six days of 8 hours, and Sunday is treated as overtime. In France there is an 8-hour day Act, which applies to all the industrial and commercial undertakings, not only in France but in Algeria and other colonial possessions; they have got an 8-hour day Act for the miners and for the

seamen, and according to the statistics collected in 1926, out of over six million workers in France employed in industrial and commercial undertakings, over five millions work for 48 hours and less.

In Germany, the average scheduled hours of work in the German Federal Railway, for the workers, are eight hours a day for continuous workers and in the case of intermittent workers it might be extended to ten hours.

In the Italian railways the average hours of actual work in the State Railways are fixed at about 48 hours—and the same is the case in industrial, commercial and agricultural undertakings where continuous attention is necessary. In Italy, Sir, 10 per cent. of the workers work for less than 48 hours a week; about 60 per cent. work for 48 hours, and 27 per cent. for more than 48 hours.

In the Austrian Railways the maximum is 48 hours a week. On railways in Poland the maximum weekly hours are 46. In Esthonia on railways the maximum is 47. In Spain, in the coal mines and industrial undertakings and in the railways, the maximum is 48 hours a week, and 92·5 per cent. of the workers in Spain work for 48 hours or less.

In Greece the 48-hour week is applied to tanneries, printing works, manufacture of confectionery and chocolates, of leather goods and trunks, of the paper-making industry, tobacco stores and factories, underground work in mines, manufacture of cement and to slaughter houses.

In Belgium, Denmark, Sweden, Szecho-Slovakia, and the Kingdom of Serbs, Croates and Slovanes, in all the industrial undertakings the maximum hours of work are 48 hours a week.

In Norway and the Netherlands the maximum is 8½ hours a day and 48 in the week. In Lithuania in workshops and factories the maximum hours do not exceed 48. In Latania manual workmen work for eight hours a day and non-manuals for six hours a day.

So much, Sir, about Europe. I shall next come to America. In America, out of twenty-seven principal industries, fifteen industries work for 48 hours a week or less. I could give you some examples. The average weekly hours in furniture manufacture is 48; in lumber manufacture and mill work, 47·5; in printing publishing, book and job, 47·8; in paper products, 47·3; in cotton manufacture, 47; in leather tanning and finishing, 46·9; in wool manufacture, 46·6; in hosiery and knitted goods manufacture, 46·1; in silk manufacture, 46; in printing and publishing newspaper periodicals, 45·8; in automobile manufacture, 45·2; in electrical and apparatus manufacture, 45; in boot and shoe manufacture, 44·8; in rubber manufacture, 44·7.

Then, Sir, in the railways in Argentine, in Peru, in Bolivia, in Uruguay the maximum is eight hours a day.

In Australia, in Victoria, Tasmania, Western Australia and Queensland the maximum hours of work are eight hours a day. In New South Wales it is 44 hours a week, in New Zealand the maximum is 8½ hours a day and 48 hours a week.

Coming next to the Union of South Africa, drivers and foremen in railways work for 96 hours a fortnight; guards and ticket-examiners work for 108 hours a fortnight; the permanent way staff work for 53½ hours to 51 hours in Summer and 49¼ hours to 48 hours in the Winter.

[Maulvi Abdul Matin Chaudhury.]

Sir, this is the position all the world over; and here in India we are being asked to accept this atrocious principle of 60 hours and 84 hours a week.

Mr. R. K. Shanmukham Chetty: How much is it in Japan?

Maulvi Abdul Matin Chaudhury: I have no information available. Even in India, in the case of postal workers in the Railway Mail Service and those, who work in the day, work for 36 hours in the week; those who work day and night work for 33 hours in the week; and those who work only during the night, work for 30 hours only in the week. I do not understand why railway workers, who are working under identical conditions, should be condemned to longer hours, while those working in the Railway Mail Service under the Postal Department are working 30 hours a week.

I should now like to deal with some of the objections that have been raised by the previous speakers. My friend Mr. Shanmukham Chetty said that India should be treated differently from other countries because of climatic considerations. I entirely agree, Sir. If eight hours a day is justified in the West there is justification for still shorter hours in India, because, Sir, eight hour day in a tropical country is more fatiguing, more exhausting and more deleterious to the workers' health than eight hours a day in a temperate climate.

Then, Sir, Mr. Hayman and Mr. Chetty argued about the repercussion on other industries. I have never heard a more absurd argument than the argument about repercussion. If we carry it to its logical conclusion, it means this, that in the railways there should be the lowest wage and the longest hours because, unless you pay the lowest wage to the railway workmen, there will be repercussion on other industries; similarly, in the railways, according to this argument, you should have the longest hours, because if you reduce the hours of work there will be repercussion on other industries, and the workmen will demand shorter hours. This position, Sir, on the face of it, is quite untenable.

Then my friends Mr. K. C. Roy and Mr. Hayman referred to the cost. I would ask them one simple question. Do you intend to sweat your labour to provide a surplus revenue? Mr. Kelkar said that he would agree to this as a first instalment; I suppose he takes it as an advance. It has taken the Government about 11 years to make a move in this matter, and I do not consider this measure as an advance at all. I consider it as a backward step, I consider it as a most retrograde measure, I consider it as an anachronism at the present day, and I say to Honourable Members of this House that they will be condemning themselves and this House before the bar of world public opinion if they lend their support to the proposal of Government.

Pandit Hirday Nath Kunzru (Agra Division: Non-Muhammadan Rural): Sir, not being connected with business of any kind, either as a labourer or as an employer, I find myself in some difficulty. I thought that the Report of the Select Committee would provide some enlightenment on those points which were obscure before, but I have not been able to derive any information from the Select Committee's Report which would enable me to solve the doubts that existed in my mind.

Sir, before making up my mind with regard to the merits of the controversy between Government and some Members of this House on the one

side, and my friend Diwan Chaman Lall and Mr. Abdul Matin Chaudhury on the other, I should like to know what is the number of men who will benefit if the legislation before the House is accepted in its present form. You have about eight hundred thousand men on State-managed and Company-managed railways. You propose to make some exemptions. It is only certain classes to whom the new legislation will apply. I think it is a fair demand on our part to know what is the proportion of existing railway employees that will benefit by the fixing of a 60 hours' week. In the second place, Sir, I should like to know what are the present hours of work in the more important railway departments. It has been alleged by my friend Diwan Chaman Lall that in the railway workshops and in certain other activities railway employees already work only for eight hours a day, or even less. If that is so, it is quite clear that these men do not stand to gain anything from this new legislation. If in the more important departments of activity the principle of a shorter day has been accepted, I think it is for Government to justify why a longer day should be enforced in the case of other men.

The third point on which I want information is what would be the increase in expenditure if the Bill placed before us by Government is accepted. I should like them to bear in mind in this connection that there are certain forms of work in regard to which overtime allowances are paid. If the hours of work are shortened and an additional staff is employed, to what extent will the money saved on the payment of overtime allowances suffice for the engagement of the new staff?

Lastly, Sir, I should like to know what additional expenditure would be incurred in case an 8-hours' day is accepted. You are already prepared to face a certain increase in expenditure by the acceptance of the Washington and Geneva Conventions. I should like to know what the excess over this expenditure would be if the 8-hours' day is accepted.

These are the specific points, Sir, on which I desire some information. We cannot decide the issue before us even on purely material grounds unless this information is forthcoming. But I should just like to say a word or two with regard to the point of view that I adopt in considering a matter of this kind. My Honourable friend, Sir George Rainy, has on more than one occasion told us that it is impossible for Government to deal with labour questions without bearing in mind prominently financial considerations. It is obvious, Sir, that an industry of any kind cannot provide for labour more than its earning capacity renders possible. But on the other hand, I should not like these questions to be judged from a purely financial standpoint. The human factor has also to be considered. It is not merely that the trend of modern sentiment has changed, but practical conditions in India themselves require that the human factor should be borne prominently in mind in dealing with these questions. And here I cannot forget that Government have taken about ten years to give effect to the Washington Convention and about four years to the Geneva Conventions. Had their recommendations been accepted earlier, more experience might have been gained, and it might have been possible for us now to have material in connection with the inquiry that is to be undertaken by Geneva next year.

My friend, Mr. Shanmukham Chetty, drew our attention to a very important point when he asked us to remember that the delegates of the employers and the employed had both agreed last year to have the question of reducing the working hours considered next year. We have also to remember that the length of the working day is one of the matters which

[Pandit Hirday Nath Kunzru.]

will come under the consideration of the Labour Commission. I have no desire to prejudge the conclusions that might be arrived at, either by the Labour Commission or as a result of investigations at Geneva, but in view of the inquiry that is to be set on foot by Geneva next year, and the fact that the matter is to be considered by the Labour Commission, I think those of us who feel keenly on this subject ought to have no hesitation in making both Government and the other authorities that are concerned with this question feel that it is not only the labourers that are anxious for an amelioration of their position, but that those also who occupy a neutral position desire that they should be considered first and foremost as human beings. We should all bear in mind that the greatest capital at our disposal today is the efficiency and welfare of our human material.

Dr. L. K. Hyder: (Agra Division: Muhammadan Rural): I cannot claim that I am a labour agitator. I cannot claim that I administered the railways of the Government of India. I look at the matter from a detached point of view, and I have listened with the utmost attention to the case which has been made out for a 60 hours' week by the Members opposite. To my mind, Sir, there is in the case an unargued inference. That unargued inference is that, if you reduce the hours of work from 60 to 48, you will increase the cost. Now, Sir, this is the unargued inference to which I take objection. Is it at all likely, is it quite certain, that there will be an increase in cost? If you have shorter hours, the thing omitted from the calculation when the jump was made to this unargued inference is that there shall be, under no circumstances, an increase in the efficiency of the labourer. In other countries they have found out that there is an intimate relationship between the output and the hours of work.

3 P.M.

Then, Sir, it is said that it may be all right elsewhere, we have no reason for believing that shortening the hours of work will make any increase in efficiency. I say, Sir, that the thing has to be proved before it has to be accepted on this side of the House.

Then, Sir, it has been said, leave the foreign countries alone; this is a special country with special circumstances. Unfortunately, Sir, I was not present in the House when the special circumstances were referred to, but I have revolved them in my mind, and I said to myself, "Can it be the climate?". Then of course it struck me at once that if the special circumstance referred to centre round the climate, then the argument is on this side and not on that side. If the special circumstances referred to the physique of the people, then again the argument is on this side and not on that side, on the side of shorter hours and not on the side of longer hours. If the special circumstances include a leisurely way of doing business, then I say the argument is on this side and not on that side, because we want you, Sir, to speed up and not to adopt the leisurely way of sending ten trains in 24 hours. It is no use asking the workers of the railway to adapt themselves to the leisurely way of running the trains. I have no doubt in my mind that the gentlemen who are responsible for administering the railway system in this country are aware that there is an economy of high wages. What my friend on my right was trying to do was to bring out the fact that there is also an economy of short hours. That is the whole meaning of the amendment which has been moved by him. There is another matter to which I shall refer. I would not base the case for shortening the

hours, as my friend on my right has done, and it struck me as peculiar also that while on the one hand it was said that the Railway Administration entertains a humanitarian outlook, on the other that it could not forget the interests of the taxpayers. I say, Sir, that I neither accept the one position nor the other. Let us look at the railway as a business concern, and that is the only aspect, and let us not then talk of social justice or social benevolence or humanitarian views. No, Sir, the railway worker is engaged in an industry, and the case for him rests, and can be made to rest, not on giving a dole or being charitable to him, but on his being intimately connected with the industry itself, and the whole question is whether the man whom you engage on one of these terms, the terms of 48 hours, is a man who gives the value for the money he receives. That is the case on which the railway worker should be judged, and there should be no talk either of benevolence or of a humanitarian attitude, because these things do not and should not come in the calculations of a capable railway administrator, and the worker himself stands on solid ground when he says, quite frankly and openly, "For 48 hours I shall give you an output in work which may be equal to the output which you might exact from me in 60 hours". That is the case. Well, Sir, it is on this ground that, after listening to the speeches delivered on that side of the House and also on this side, and after giving a proper amount of attention to this matter, I have come to the conclusion that the railway worker can stand on his own ground as an independent worker. Reference has been made to what is done in another country. Of course, the obvious retort is: what is done in the large majority of countries? There, there is the fear of the future which is perhaps deterring certain Members of the House from supporting my friend. The fear is that, if this legislation is introduced, there is no doubt that other industries will follow. I say, when then? Even in other organised industries the labourer shall be able to earn his wage by reason of the efficiency of his work, which should be limited to 48 and not 60 hours a week.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): Sir, I welcome this piece of legislation as a tardy recognition on the part of Government of the much-needed relief due to a deserving class of our public servants, I mean the railway employees. But, Sir, I should like to record my disapproval at this piecemeal interference with the Indian Railways Act. The Acworth Committee, if I remember aright, recommended that a wholesale revision of the Act should take place in the light of present day requirements. This was many years back. I also tried to bring this matter up before the House, but I was told that only last year the question of a somewhat comprehensive revision of the Indian Railways Act had been referred to the Rates Advisory Committee. So far as this legislation is concerned, there is no doubt that it is in some respects an advance upon the existing condition of things, but I should have wished it to go a little further. There are certain provisions of the Indian Factories Act which deal with the employment of labour, the hours of work, period of rest, and so on. I need not refer specifically to those provisions, but I would mention in passing sections 21, 22, 27, 28, etc., of the Indian Factories Act. I would only say this that overwork in factories is a matter which may be dangerous only to the workman himself, but overwork on the part of an employee on a railway is dangerous to a large number of the travelling public who have to travel on that railway. Let us take an instance. Suppose, a pointsman of a railway whose work is a risky one has been long on duty, and if an accident takes place on account of any inadvertent inattention or

[Mr. Gaya Prasad Singh.]

temporary absence on his part, he may not himself suffer, but it results in fatal consequences to the passengers. Therefore, Sir, I think that the amount of relief and respite given to workmen on the railways should be on a more generous scale than the amount of relief and respite given to workmen under the Indian Factories Act. I need not dwell on this fact that a workman who has been long on duty is physically and mentally unfit to discharge the responsibilities of his post requiring sustained exertion. It is therefore necessary that he should be given the much-needed relief to which he is entitled not only on humanitarian grounds, but also of public safety. If the causes of railway accidents are analysed, it will be found that many of the accidents owe their origin to inadvertent inattention or unconscious negligence on the part of some railway employees, who have been overworked and cannot bear the strain. The Bill, Sir, proposes to introduce 84 hours a week for those railway employees whose services are essentially intermittent.

The Honourable Sir George Rainy: On a point of order, Sir. Will not this question arise on the next amendment, which stands in the name of Maulvi Abdul Matin Chaudhury?

Mr. Gaya Prasad Singh: I need not dwell, Sir, on that point, because it has not yet been taken up. But I am glad to see that Government have undertaken an investigation into the whole question, and the result of it will be awaited with interest. Besides, we have got the Labour Commission which is now in labour, and by next year we may expect the recommendation of this Commission, which is likely to be on a more generous scale so far as the hours of work are concerned than the one which is proposed under this Bill. My information is that, in Japan, the hours of work are ten hours. I do not know if my information is correct, but I shall be glad if I am corrected. So, India is not the only country which has got a ten hours' working day, but we should try to bring it down to eight hours here.

In conclusion, I would like to say this. I find that a period of two years will be taken to give effect to the provisions of this Bill after it becomes law. This period, to my mind, is a rather long one, and I should have liked that the provisions of this law should come into force much earlier than that.

Rai Sahib Harbilas Sarda: (Ajmer-Merwara: General): Sir, I rise to support the amendment proposed by the Honourable Maulvi Abdul Matin Chaudhury. In the minute of dissent which I appended to the Select Committee's Report, I said that in two other Departments of Government, the hours of employment per week were not more than 48. In the Telegraph Department, for instance, the signallers do not work for more than 48 hours a week. In the Railway Mail Service, which is a branch of the Postal Department, sorters do not work for more than 36 hours a week. Mail guards, whose duties are less arduous, work at the utmost for 56 hours a week. In the Telegraph Department the day is one of eight hours, with relaxation on Sundays. If this is so in two Departments of Government, where work for eight hours a day is deemed sufficient, and if, as the Honourable Mr. Hayman has said, in the railway workshops the rule for years has been 42½ hours or 44 hours of work a week, then I see no reason why there should be a provision

in this Act to allow work up to 60 hours a week. I think, therefore, that, on the analogy of the Telegraph and Postal Departments, the week should be a week of 48 hours work only.

Diwan Chaman Lall: Sir, I rise to support the amendment of my Honourable friend Maulvi Abdul Matin Chaudhury. I want to be very brief in this matter because I have already said a good bit upon this subject. One reason why I rose to speak was because of the very able speech made by my Honourable friend Mr. Shanmukham Chetty. Mr. Chetty brandished the sword of his forensic ability in my face, and thereby gave a tremendous amount of assistance to Honourable Members sitting opposite, whose sword, it seems to me, happens to be a wooden one. What are the arguments advanced by my Honourable friend, Mr. Chetty? I think he objected to what he understood me as saying that I implied this, that India had obtained an exemption *from* the Washington Convention. He would prefer me to say that India had obtained an exemption *in* the Washington Convention. It is all a difference of "from" and "in". I do not recollect that I myself was guilty of that blunder. I have had this matter thrashed out on another occasion in another country with the High Commissioner of India, and I was perfectly aware of what I was saying. What I was saying was this, that India had obtained an exemption in regard to the 48 hours a week in the Washington Convention, and I read out Article 10, which gives that special exemption. My Honourable friend over there said it was a provision. I say, call it what you like, provision or anything you like, the actual effect of that is that that exemption was obtained by India in the Washington Convention. Now, my Honourable friend Mr. Chetty referred to Article 427 and he said, "Well, in regard to Article 427, you are empowered, the authority is given to you by the Treaty of Versailles itself to make these exemptions". I do want to read to the House Article 427. I want to point out that there in Article 427 general principles were laid down and a high hope expressed by the high contracting parties that these general principles would be the guiding factors in labour legislation to be undertaken by those contracting parties, and it was said that the high contracting parties recognised that the well-being, physical, moral and intellectual of industrial wage earners was of supreme international importance. Well, the first test that I want my Honourable friend, Mr. Chetty, to apply is this, whether an eight hours' day would conduce more to the well-being, physical, moral and intellectual of the industrial classes of India or whether a ten hours' day would be more conducive to that end. I want him to answer that question. Would it not be better for the railway worker to work eight hours a day and have leisure and develop himself mentally, or would it be worse for him if he had the leisure that would be available to him by working ten hours a day?

The second point is they said, it is of supreme international importance. The high contracting parties have framed in order to further this great end a permanent machinery provided for in section 1. Then they go on to say that they recognise that differences in climate, habits and customs and of economic opportunity and industrial traditions make strict uniformity of the conditions of labour difficult of immediate attainment. Now, I want to ask my Honourable friend again, what particular exceptions laid down there militate against the grant of an eight hours' day to the workers on the railways in India. Let me take the first,

[Diwan Chaman Lall.]

that is climate. Climate is a factor which does not militate against the Honourable Member granting us an eight hours' day on the railways; on the contrary, it ought to help him to give us an eight hours' day. I hold in my hand a Report issued by a fairly well known authority, published by the International Labour Office, on the question of the relation of working hours to climate, and this is the conclusion that this author comes to in regard to the subject of working hours in relation to climate. The author insists, on scientific considerations, that for industrial countries which are situated south of Europe, the hours of work should be shorter than for other northern European countries, at any rate during the hot season. If climatic conditions in Europe lead this scientific investigator to state that, where there is a higher temperature in Southern Europe, you should have shorter hours, then why should not that principle be applicable here in India, and to the railway workers in particular? I ask, Sir, whether it is not a fact that the question of climate is an argument in our favour, not an argument in the Honourable Member's favour.

Then, take the next, customs and habits. I have yet to know of an individual in this country who possesses the courage to get up and say that the habits and customs of Indian workers are such that they prevent the Honourable Member from giving us an eight hours' day on the railways.

Take the next question of economic opportunity or industrial traditions. Is that the ground, I take it, which anybody would be foolhardy enough to advance? Is there anybody who would say that the economic opportunities and the industrial traditions of India are such that we should stick to sixty hours a week rather than to forty-eight hours a week? If these are the only exceptions laid down there of which advantage could be taken by national countries, then I ask where is the argument for stating that, because those exceptions are laid down in Article 427, therefore it is perfectly right that exceptions must be taken advantage of. And when we go on in Article 427 to the general principles laid down, what do we find? The fourth principle is the adoption of an eight-hour day or a 48-hour week as the standard to be aimed at where it is not already attained. This was in the year 1919. The standard to be aimed at is 48 hours a week. I want to ask my Honourable friend over there, what has he done during the last ten years to attain this particular standard which was brought to his notice as the standard to be aimed at for the benefit of the working classes in India? I want to ask this question whether during that period anything has been done to approximate to this standard? If anything has been done to approximate to this standard, what is the experience gained? Does the Honourable Member's experience tell him, I want to ask him in all sincerity, does his experience tell him that a 60-hour week is desirable for the railway workers? Can he honestly get up in his seat and say that his experience is that a 60-hour week is better than a 48-hour week? I take it that my Honourable friend would not make that statement. If it is not correct that a 60-hour week is better than a 48-hour week, then what are the conditions? Why is it that a provision of a 60-hour week has been embodied in this Bill and why is it being passed into a statute as far as the railway workers are concerned? I want to ask my Honourable friend, Mr. Shanmukham Chetty, to give me the reasons why he wants it. If my Honourable friend is

so fond of Geneva and of the statutes laid down, in the Peace Treaty, why does he want the 60-hour week? He remembers the Preamble, in which it has been said that the existing conditions of labour involve such injustices and hardships and privations to large numbers of people as to produce unrest so great that the peace and harmony of the world is in danger. There is a statement made in the Preamble to the Peace Treaty, in reference to the organisation of labour and they recognise that those conditions of hardship which create this unrest have got to be done away with and a better system adopted. Now, my Honourable friend has had ten years in which to work that better system. Why has he not adopted it? The argument that I would place before him is this. Let him take for instance the workshop employees. Is it admitted that workshop employees work 48 hours a week or less than 48 hours? Is it true or is it not true? Let me take the engineering department, labour employed on the maintenance of permanent way that is gangmen and keymen. Is it not a fact that they are not working more than eight hours a day? Again, take the case of gate keepers. Do they or do they not work in three shifts of eight hours a day? Take your station staff. On all important stations, are they not working eight hours a day? Take your large sheds. Are they also not working on eight-hour shifts? So is the case with your running staff. If it is a fact that all these people are working on an eight-hour shift today, then I ask what is all this camouflage for? You come to us on the floor of this House and, in spite of the fact that in actual practice many thousands of your workmen are working on an eight-hour day basis, you want to pass—after this exemption has existed for the past ten years—a law that the railway workers should be ruled by the 60-hour week and not the 48-hour week. I would have understood my Honourable friend if he had turned round and said, "In regard to this particular class of workers, who no longer are working more than eight hours, I will make an exception. In regard to the running staff, I may have a little difficulty, and therefore I will so circumscribe the sphere of this Act or so limit its operation or so limit its duration that, after I have investigated, I will go back to 48 hours". I could have understood this if he had said so. What is it that induced my Honourable friend to publish this scheme at the present moment in regard to the 48 hours and the 60 hours? This problem has been raised by me, and why? I want to know if it is fact that, in actual practice, he has got a 48-hour week which applies to many thousands of his workers. My Honourable friend, Mr. Hayman, would say, prohibitive cost. I challenge that statement and I challenge him to produce figures about this cost. Take your running staff. Your running staff, the guards and drivers, are paid on the basis of certain miles, or certain hours of work done over and above their duty. Now whatever extra is earned by them in the overtime that they put in, suppose you were to limit their hours of work to eight, you could then increase your staff; or whatever increase you give in the shape of overtime, you could distribute the money to your extra staff. Even if you have to spend more money, is it not right that you should spend that money? My Honourable friend there puts up his hands and he says, no money. But you have plenty of money. What has happened to your reserves? Where are they? A mere book entry? Are they mere book entries? I believe you have got 15 crores as your Depreciation Fund and 20 crores as your Reserve, making 35 crores. Could you not take a little flea-bite,

[Diwan Chaman Lall.]

a few crores out of that and deal with this problem? I do not believe for a moment that it is a question of crores. It is a simple question, and if you only had the will, you could deal with it promptly and efficiently. But the Government of India move very slowly; they think they move very surely, but I am not quite certain. I think the attitude they have adopted in regard to this matter demands a straightforward reply. Will you tell us exactly why you are now at the present moment coming forward with this demand, and tell us why it is not 48 hours? What is the objection to 48 hours? If you say it is finance, have you worked out the figures of finance? Have you worked out the figure of cost? How much extra cost would it involve? Give us the figure; it is no use taking the vote of this House on an issue in regard to which facts have been withheld from us. Let us have all the facts and figures here. Have you got any facts or figures to substantiate the statement you have made? If it is either cost, or if it is climate, if it is expediency, if it is the demand of the workers, if it is compliance with Geneva, let us have all these arguments; because, as far as compliance with Geneva is concerned, you have not got a leg to stand on. You have not got a leg to stand on so far as the question of climate is concerned. I do not know, nor I think does any other Member of the House know, what the extra cost would be, because I believe you have not worked out the figures of that extra cost. Under these circumstances I submit that it would be wrong on the part of any Honourable Member to suggest either to Government or to any industrialist on the floor of this House that they must not adopt 48 hours a week merely because of its repercussion upon other industries in India. This is an honest, just, straightforward and reasonable demand, namely, a demand for 48 hours. What business has any Honourable Member on the floor of this House to turn round and say that he will not give it merely because it might have some repercussion on other industries? Are the Government of India, I want to ask, in the pay of the Indian capitalist or the British capitalist in India, that they have this tender regard for the needs of the Indian and British capitalists when they have no regard for the Indian worker on the railways? Which would they prefer, the dividends of the industrialists, or the happiness,—intellectual, moral and physical happiness,—and well-being of the industrial worker on the railways? They have their choice and I hope they will be wise and make their choice in the right direction.

The Honourable Sir George Rainy: Sir, this question, which has been under discussion since the House resumed after lunch, is of course the crux of the whole Bill. The most important question that can be raised on this Bill is whether the limit for the hours of work should remain at 60 a week, as fixed in the Bill, or whether it should be reduced to 48, as proposed by my Honourable friend Mr. Abdul Matin Chaudhury. Now, although the amendment stands in the name of my Honourable friend, perhaps I am entitled to say that the protagonist of 48 hours is my other Honourable friend Diwan Chaman Lall, since he has made two speeches on the subject and Mr. Abdul Matin Chaudhury has made only one.

Now, one of the reasons which he adduced as reason, why the House should make the limit 48 hours and not 60, was the delay of the Government of India in dealing with this question. It does not seem to me to

be a very relevant reason, but since something was said about it by more than one speaker, I think it is reasonable that I should reply in regard to it. It is obvious from what I said in a speech during the Budget discussions last year, that I feel myself that the question has been delayed much too long. I frankly admit it. But if anyone asks the reason why the question was not taken up effectively sooner, I can give an answer in two words. We should never have been able to take it up effectively until we had the Labour Member on the Railway Board. It is a simple point that you must have people whose definite business it is to work out the complicated details of a question like this, and until we had the necessary machinery, we could not deal with the difficulties. It took me two years, after I became a Member of Council, to make up my mind that we must correct the defect in our organisation, and it was not until that defect had been corrected, that it was possible for me to make any substantial progress with this question of compliance with the Washington and Geneva Conventions.

I should like to refer to the questions put by my Honourable friend, Pandit Hirday Nath Kunzru. What are the existing hours of work in the workshops, he asked, and if, as has been stated, you can work 48 hours or even 42 hours a week in the workshops, does not that admit the principle of 48 hours a week, and ought you not to apply that limit generally? Now, the reason why we could, without a great deal of difficulty, keep within a 48 hours' week or even a lower limit in the workshops is that we could shut down the workshops for one day in the week altogether and work eight hour shifts on the remaining six days. If it were possible to shut down to a very large extent, as is customary in European countries, the work of the railways generally to (say) 50 per cent. on one day in the week, the whole question would become a great deal easier. In Europe a large part of the work is closed down on the weekly rest day, and for a very large portion of the staff no substitutes are required on that day; whereas in India we cannot close down or reduce the work, because the trains run as they do on other days, and the result is that, with a 48 hour week, we should require substitutes for the whole of the staff on the weekly rest day. That brings me to what my Honourable friend Dr. Hyder said. He said, are you sure that there will be an increase of cost? Is it not true that, in many branches of industry, the economy of short hours and the economy of high wages has been demonstrated, and would it not be the same on the railways? So far as the workshops are concerned, it is a perfectly good argument. In theory it can only be tested by experience, but I should not be the least surprised to find that, given efficient control and management, you might pay higher wages and work shorter hours, and still get a larger output. But my difficulty about the great bulk of the labour, who will benefit from this Bill, is precisely this, that I do not see how the output can increase. What is the output of a railway as a traffic carrying concern, except the number of passengers it carries, the volume of goods it carries, and the number of trains that pass over the lines in a given period? If, in order to work to a 48-hour week, the railways have to incur increased expenditure in order that the staff at each station may work shorter hours, there will be no increase in the number of trains, no increase in the number of passengers, no increase in the volume of goods carried, and therefore there must be an increase of expenditure which you cannot recoup directly by any increase in earnings. The only compensating advantage, from the commercial point of view that you can expect, is greater

[Sir George Rainy.]

safety from accidents perhaps, or other indirect advantages of that sort. I do not think that Dr. Hyder's argument is fairly applicable to the circumstances of the railways.

Now to revert once more to certain other questions put by Pandit Hirday Nath Kunzru. He wanted to know how many men would profit by the provisions of the Bill, he wanted to know what the increase in expenditure was likely to be as a result of the operation of this Bill, if it passed into law, and wanted to know what the further increase in expenditure would be from the introduction of a 48-hours' week. The second question, I can answer. The first and the third, for reasons which I will explain, I am not in a position to answer. With regard to the second, the recurring expenditure, as a result of the present Bill, will be about 50 lakhs a year or possibly it may be slightly higher. I understand that the non-recurring expenditure on the construction of quarters, etc., may amount to as much as 75 lakhs. But as regards the further increase in expenditure which would result from a 48-hours' week, if I had an estimate in my possession which I could regard as giving a reasonably accurate idea of what it was likely to cost, I should be most happy to lay it before the House. I have not got such an estimate nor can I give the figures of the number of men likely to be advantaged by the passing of this Bill into law. The reason is this. In order to get really accurate figures, we should have got to examine the conditions in every railway station in India and see exactly what the conditions are at each station and what additional staff is required in order to give effect to the change in the law. Still more would that be necessary to get an accurate estimate of the cost of a 48-hour week. But I am quite confident of this, that it would cost considerably more to go on to the 48-hours week than it costs to give effect to the provisions of the present Bill. Until that matter has been fully explored, apart from any other argument, I could not ask this House to agree to the adoption of the 48-hour week. My Honourable friend, Diwan Chaman Lall, seemed to me to argue that, because Government could not show that the cost was prohibitive, therefore the House ought to tell the Government to go ahead. Now, I would ask this, supposing we are going to construct a new Railway line or a new project, or to make a large improvement, and if we come to the Standing Committee and say we have no evidence that the cost will be prohibitive, would the Standing Finance Committee tell us to go ahead?

Diwan Chaman Lall: May I interrupt my Honourable friend? My point is not that. My point is merely this. You had ten years in which to investigate the possibilities of a 48-hours' week. Why have you not investigated that possibility?

The Honourable Sir George Rainy: I have given my answer to my Honourable friend already. Until we had our labour organisation at the Headquarters of the Railway Board, there was not the least chance of this question being adequately examined. I made it quite plain that this very question, the adequate examination of this very question, was one of the main reasons why I considered it necessary that the organisation of the Railway Board should be changed.

Again my Honourable friend asked, had we not the reserve available? I have always been taught, ever since I came to this country, that it was not right to use non-recurring income to meet recurring expenditure, and I am afraid I am too old to unlearn that lesson.

I have now run over the main points why the Government of India are unable at present to accept the reduction of the figure in the Bill from 60 hours to 48 hours. It would mean a serious addition to the expenditure of the railways, and it is an addition which, if introduced suddenly, might mean a definite increase in rates and fares. The whole question will have to be examined in connection with the revision of the Washington Convention, as far as India is concerned. There is no question about that. But at present I would press upon the House that, what we have got to do is to carry out the obligations we have already incurred and not to commit ourselves to other obligations which involve heavy expenditure and which we could not give full effect to for several years to come, because the whole of the preliminary work has still to be done. But my Honourable friend, Diwan Chaman Lall, says, why have the Government brought the question forward at this stage as a matter of urgency? Having waited for ten years, why could they not wait a little longer? In particular, he said, if the House should decide in favour of the Bill as presented by Government, then it would in effect be providing an argument why, when the Convention comes under revision, we should not move forward to a 48-hour week. Now, if I thought that this Bill would prejudice the freest and fullest examination of the question whether or not a 48-hour week should be adopted in India, I should be very sorry to bring it forward. But I cannot believe that it will have that prejudicial effect, and I am quite sure that that idea was not present to the mind of any Member of Government. For one reason alone it seems to me that the apprehension expressed by my Honourable friend is quite groundless. After all is not this a matter very much within the sphere of the Royal Commission on Labour, and is it likely that my Honourable friend or his colleagues will be deterred from making any recommendation they think right in the interests of India because the Legislature of India passes a Bill to give effect to obligations incurred by the Government of India several years ago? Is it likely? and if not, what reason has my Honourable friend for feeling any apprehension on the point? For the reasons I have given, Mr. President, Government are unable to accept the amendment moved by my Honourable friend, and I hope that the House will not accept it either.

4 P.M.

Mr. President: The question is:

"That in clause 2, in sub-section (*1*) of the proposed section 71C for the word 'sixty' the word 'forty-eight' be substituted."

The Assembly divided.

AYES—15.

Abdul Matin Chaudhury, Maulvi.	Mohammad Ismail Khan, Haji Chaudhury.
Ayyangar, Mr. K. V. Rangaswami.	Murtuza Saheb Bahadur, Maulvi Sayyid.
Chaman Lall, Diwan.	Rang Behari Lal, Lala.
Farookhi, Mr. Abdul Latif Saheb.	Sarda, Rai Sahib Harbilas.
Ghazanfar Ali Khan, Raja.	Siddiqi, Mr. Abdul Qadir.
Hyder, Dr. L. K.	Sitaramaraju, Mr. B.
Kidwai, Sheikh Mushir Husain.	Talatuley, Mr. S. D.
Lalchand Navalrai, Mr.	

NOES—43.

Abdul Aziz, Khan Bahadur Mian.
Abdul Qaiyum, Nawab Sir Sahibzada.
Alexander, Mr. W.
Banarji, Mr. Rajnarayan.
Baum, Mr. E. F.
Chambers, Mr. G. W.
Chetty, Mr. R. K. Shanmukham.
Coatman, Mr. J.
Cocke, Sir Hugh.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Crerar, The Honourable Sir James.
Crosthwaite, Mr. H. S.
Ferrers, Mr. V. M.
French, Mr. J. C.
Gwynne, Mr. C. W.
Hamilton, Mr. K. L. B.
Hayman, Mr. A. M.
Hira Singh Brar, Sardar Bahadur, Honorary Captain.
Howell, Mr. E. B.
Jawahar Singh, Sardar Bahadur Sardar.
Jehangir, Sir Cowasji
Lamb, Mr. W. S.
Lindsay, Sir Darcy.
Mitra, The Honourable Sir Bhupendra Nath.
Mitter, The Honourable Sir Brojendra.
Monteath, Mr. J.
Mukherjee, Rai Bahadur S. C.
Mulla, Sir Dinshaw.
Noyce, Sir Frank.
Pai, Mr. A. Upendra.
Parsons, Mr. A. A. L.
Rahimtulla, Mr. Fazal Ibrahim.
Rainy, The Honourable Sir George.
Rajah, Rao Bahadur M. C.
Roy, Mr. K. C.
Sahi, Mr. Ram Prashad Narayan.
Sams, Mr. H. A.
Sarfaraz Hussain Khan, Khan Bahadur.
Schuster, The Honourable Sir George.
Scott, Mr. J. R.
Singh, Mr. Adit Prasad.
Singh, Raja Raghunandan Prasad.
Slater, Mr. S. H.
Sykes, Mr. E. F.
Tin Tut, Mr.
Yamin Khan, Mr. Muhammad.
Young, Mr. G. M.

The motion was negatived.

Mr. President: I think this is a convenient stage to adjourn unless the Honourable Member in charge of the Bill desires that we should continue.

The Honourable Sir George Rainy: I think it is desirable, Sir, that this Bill should be proceeded with. I am very anxious that there should be no possibility of this Bill not getting through this Session.

Mr. President: Maulvi Abdul Matin Chaudhury.

Maulvi Abdul Matin Chaudhury: Sir, I move:

"That in clause 2, in sub-section (2) of the proposed section 71C, for the word 'eighty-four' the word 'sixty' be substituted."

This clause provides for an 84-hour week for the essentially intermittent worker. It makes no provision for hours of rest or for a holiday. If, Sir, the hardship involved in this case is not apparent to Honourable Members from the clause itself, nothing that I can say will have any possible effect on them; and I do not want to take the time of the House by expounding the obvious. I move.

Mr. A. M. Hayman: Sir, my Honourable friend has spoken just a few words on his motion, and I propose also to be very brief. I wish to say that there are many safeguards that we are going to take in order to prevent our essentially intermittent workers from being called upon to work for more than a reasonable number of hours. It is true that we have provided for a maximum of 84 hours' duty for them; but we will, by executive instructions, see that, if required to be on duty for about 12 hours a day, they definitely enjoy long periods of inaction at least during such

duty. Our rules will provide two periods of inaction which exceed half an hour each and we shall see that there are other periods of inaction too. I would like to say that it is our intention to examine the work of every one of our employees from the point of view of finding out how much actual work they do, in order to classify them as essentially intermittent or as continuous workers. I would like to make just one brief reference to what the practice is in other countries in dealing with this question. In most of the Western countries the practice is to value the number of hours work which are essentially intermittent work on the principle of adding to the number of actual hours work a certain fraction of the hours during which an employee is on duty, but no work is actually performed. That is the principle adopted by almost all the Western countries, but they differ very largely in the basis on which the conversion is made. Some take the period of duty at only one-fifth, some at half and others at two-thirds of the working hours. We had at one time seriously considered whether we should not go in for this principle of measuring the hours of duty when work was not performed at a fraction of the hours of work thus doing away with the classification between continuous workers and essentially intermittent workers for the purpose of prescribing the maximum number of hours of duty for all. But we gave up that idea simply because we thought that it was better, in the interests of the men, to do so. These, Sir, are the brief explanations that I would give to satisfy the House that we are justified in adopting this higher number of maximum hours of duty for our essentially intermittent workers.

Diwan Chaman Lall: Sir, I am greatly at a loss to understand what justification there is for 84 hours, and why the Honourable Member over there is not prepared to accept the sixty-hour limit for these intermittent workers. What is the difficulty? I would like to know what difficulty there is. I would like to know, and I am sure Honourable Members on this side also would like to know, exactly why it is that 84 hours is a favourite figure and not 60 hours with the Government. Now, it so happens that it is our misfortune that Honourable Members opposite bring up these important suggestions affecting the lives of thousands of people, and on this side, with a House constituted as it is, they can turn round and treat these Benches with utter contempt. As one who would like at least to be treated to an intellectual treat, I am missing even that from the Government Benches. I would like some sort of statement of their reasons, valid or otherwise—that is for the House to judge—but let us have the reasons at least. We have got a bare statement already in the Bill that you have presented before us. Firstly, Sir, let us know why it is that you want 84 and not 60. If Mr. Hayman—I am not usurping his functions, Sir,—had turned round and said, "Here are my facts and figures of different classes of workers and continuous workers and intermittent workers, whose work is such that we are unable to put down a limit of less than 84 hours a week", I would have said "I will give my thought to it, I will give my best consideration to it." But I am not presented with these facts and figures; the Select Committee, as far as I can make out, have not been presented with these facts and figures; and I take it that this figure of 84 hours is put down because it has been the general rule so far that there are certain classes of workers who are working 84 hours a week, and therefore we are bound to that position. When a friend of mine over here turned round a little while ago and said that this

[Diwan Chaman Lall.]

was a step forward, I interrupted him and I questioned in what way this was a step forward? You prepare your rosters, and I can prove to the complete satisfaction of the Honourable Member over there, that in the preparation of your rosters now such difficulties arise as are not beneficial to certain classes of workers; and if that is the position, I ask, how is this a step forward? Now, I want to ask the Honourable Member—I am very glad and I congratulate the Honourable Member over the appointment he holds and I entirely agree with Sir George Rainy in what he has said, that it is since the appointment of this Member of the Railway Board that these matters have been looked into and I wish him all the luck in the world—I want to ask the Honourable Member not merely to look at these figures—I want him to look at them with a sympathetic eye. For instance, let us take the case of the intermittent workers. I want to know what the policy of the Government of India and of the Railway Board are in regard to the question of equated hours. Have you got a policy? Have you come to any conclusions? Let me give an example. Here is a worker who, if his total duty is totalled up, puts in, let us say, six hours of work in the course of a day, but he is put off for another spell, which totals ten hours a day. Knowing that, in all civilised countries, as far as I am aware, there is some sort of system whereby he is compensated to some extent, I want to know is he compensated here to any extent? . . . .

Mr. B. Das: Now you are coming to the point.

Diwan Chaman Lall: I am glad, Sir, my friend, Mr. Das, is awakening to the realities of the situation. (Laughter.) He says that now I am coming to the point; he means by that, I suppose, that he sees the point. (Laughter.) I want to know whether it is or it is not a fact that there is no such system here. If there is, I would like to know what it is. Whether that is going to be worked by the Government of India, by the Railway Board or by the Honourable Member or not, I want to know, and until I do know that I shall oppose this proposition tooth and nail.

I come now to the difficulties that arise in regard to intermittent work, difficulties which can only be adjusted by a most careful consideration of the demands of the workers themselves. Here is a question which my friend will have to look into. When I am presented with a statement of this kind, that is to say, the old hours work were eight hours a day; and, in order to give rest for 24 hours, the rosters have been changed, and in one case the change has been such that it would seem there is now a system of employing a man for 12 hours a day for two days. I ask, is that in the interest of the workers? These matters cannot be adjusted unless there is the closest contact between the worker on the one side and the employer on the other. It is all very well for the Agent to put a man on special duty and tell his clerk to work out a roster on that basis. But when the roster is actually worked out, the worker finds that it is not to his advantage, that the roster has been broken in, and that he is made to work for longer hours on one or two particular days in the week, and in this way difficulties arise. How does my friend intend to adjust those difficulties? Does he intend to adjust them by calling a conference of the workers' representatives sitting in conclave with them and then decide the matter or by the mere *ipse dixit* of the Department over which he presides?

Now, Sir, I do want to know, as I started by saying, the justification for the 84-hour limit; why will not my friends over there accept the 60-hour limit? Secondly, I want to know, what method does the Honourable Member propose to adopt in order to give some compensation to those people who are engaged in intermittent work? There may be several classes of workers in regard to whom it may be said that their work is intermittent. I want to know what particular compensation, on the basis as it is prevailing today in other countries, he proposes to give them. Thirdly, I want to know whether he is prepared to accept the proposition that this matter must be settled in consultation with the representatives of the Union. May I ask lastly this, whether the Honourable Member is prepared, even though this measure may become the law, and may gain the sanction of a statute, the House being constituted as it is, to consult the representatives of the workers and fix a lower limit if it is found that the lower limit is a reasonable one?

The Honourable Sir George Rainy: Sir, I shall deal very briefly with the arguments that have been put forward. I should like, in the first place, to draw the attention of the House to the definition of "essentially intermittent" in clause 2 of the Bill. New section 71A reads thus:

> "The employment of a railway servant is said to be 'essentially intermittent' when it has been declared to be so by the authority empowered in this behalf, on the ground that it involves long periods of inaction; during which the railway servant is on duty but is not called upon to display either physical activity or sustained attention."

This definition has been borrowed, I understand, from the definitions in force in various European countries.

Now, my friend, Diwan Chaman Lall, asked what steps were going to be taken to make sure that the interpretation placed upon the term "essentially intermittent" was reasonable and proper. The proposal in the rules is that power should be delegated to the head of each railway, and that he should have power of sub-delegation, but the control that will be exercised will be very largely exercised through the reports of the supervisors of railway labour. I quite realise that there is a danger of want of uniformity in this matter and of some railways classifying too freely as essentially intermittent work which ought not to be so classified. In addition to any control that we may be able to exercise direct from the Railway Board, we shall rely very largely on the reports of the Supervisors of railway labour, who will be specially asked to give their attention to this question.

Now, as regards the limit of 84 hours a week which is proposed to be fixed, I would like to make it plain that we are not pledged under the Washington Convention to fix any limit at all. It would have been possible simply to say that workers, once they were classed as "essentially intermittent" should be left out. We have inserted this limit because we think it reasonable that, even when a man's work is very light, and the actual work in proportion to the hours of duty is very small, there should be some maximum limit.

Finally, my friend asked whether the question of essentially intermittent work would be discussed with the Railway Unions. It seems to me that, if the men on a given railway are not satisfied with the manner in which work has been classed as "essentially intermittent", it would be entirely proper that the matter should be discussed between the

[Sir George Rainy.]

Unions and the Railway Administration. But if my Honourable friend means that we should discuss the question of the limit proposed to be set down in this Act either with a Union or with the Railwaymen's Federation, that is rather a different matter. Clearly, we cannot take the decisions of the Legislature elsewhere, as to a Court of revision. At the same time, it is only a maximum that is fixed by law, and it is perfectly open to the Railwaymen's Federation to represent to the Railway Board or the Government that a lower maximum should be fixed, and there would be nothing illegal in fixing a lower maximum on the State-managed railways. But I think it would be a great mistake if the Federation were to raise that question as an abstract question, and if the question is to be raised at all, it would be fit to take it up as regards particular classes of labour, so that we could get down to the facts and come to a conclusion as to what is a reasonable limit to the hours of work. That completes, I think, what I have to say, Sir.

Mr. President: The question is:

"That in clause 2, in sub-section (2) of the proposed section 71C, for the word 'eighty-four' the word 'sixty' be substituted."

The motion was negatived.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

The Honourable Sir George Rainy: Sir, I move that the Bill, as reported by the Select Committee, be passed.

The motion was adopted.

The Assembly then adjourned till Half Past Four of the Clock on Friday, the 28th February, 1930.

LEGISLATIVE ASSEMBLY.

Friday, 28th February, 1930.

The Assembly met in the Assembly Chamber of the Council House at Half Past Four of the Clock, Mr. President in the Chair.

ELECTION OF THE STANDING FINANCE COMMITTEE FOR RAILWAYS.

Mr. President: I have to inform the Assembly that the following Members have been elected to serve on the Standing Finance Committee for Railways:

1. Mr. R. S. Sarma,
2. Mr. E. F. Sykes,
3. Sardar Gulab Singh,
4. Mr. M. S. Aney,
5. Mr. Muhammad Yamin Khan,
6. Mr. Abdul Qadir Siddiqi,
7. Khan Bahadur W. M. P. Ghulam Kadir Khan Dakhan,
8. Mr. A. H. Ghuznavi.
9. Mr. Fazal Ibrahim Rahimtulla,
10. Mr. K. C. Neogy, and
11. Haji Chaudhury Mohammad Ismail Khan.

ELECTION OF MEMBERS TO THE GOVERNING BODY OF THE INDIAN RESEARCH FUND ASSOCIATION.

Mr. President: I have also to inform the Assembly that Sir Purshotamdas Thakurdas and Dr. B. S. Moonje have been elected to sit on the Governing Body of the Indian Research Fund Association.

THE BUDGET FOR 1930-31.

INTRODUCTORY.

The Honourable Sir George Schuster (Finance Member): In presenting my budget proposals this year, I intend to depart to some extent from the procedure which has been followed hitherto and to confine my explanations of the past, current and prospective conditions, as far as possible, to a broad descriptive statement, leaving the great mass of detail

[Sir George Schuster.]

of figures to be supplied in the Explanatory Memorandum which will be circulated to Honourable Members together with a copy of my speech. Nevertheless, it is necessary to give a good many figures in order to explain the situation and I am afraid that I have so many important matters to propound that it will not be possible for me to be very brief.

2. Honourable Members will recollect that, in reviewing the position last year, I said that the main question for consideration, in deciding our policy was whether the gap caused by the final remission of the provincial contributions in 1927 had been filled, or whether the time had come to recognise that it had not been filled and that it would be necessary to find some new source of revenue. In dealing with the revised estimates for 1928-29, I pointed out that the results for the year had been, or were likely to be, improved by a number of fortuitous circumstances, that is to say, a throwforward of land customs revenue from the preceding year and an abnormal anticipation of salt revenue owing to speculation. I indicated that, had it not been for these fortuitous circumstances, we should have had to anticipate a deficit in 1928-29; and I therefore thought that it was clear that the gap, to which I have referred, had not been filled in that year. Subsequent events have reinforced that conclusion. There was, in fact, a serious deterioration under several headings in the last two months of 1928-29, on top of which came an exceptional item, namely, a heavy drop in the amount which could be credited to revenue from the Gold Standard Reserve, due to the necessity for writing down the securities as a result of the raising of the Bank of England rate to 5½ per cent. in the middle of February last. This last item did not, of course, represent a realised loss and will, in fact, be more than made good by extra receipts in the current year. As a result of these factors, the year 1928-29 actually closed with a deficit of 1,06 lakhs instead of with the surplus of 30 lakhs anticipated in my revised estimates last year. The exceptional items of deterioration to which I have referred, may be regarded as counterbalancing, to some extent, the special favourable items which I mentioned last year, so that, on the whole the results of 1928-29 now appear more nearly in their true colours.

Actual out-turn of 1928-29.

3. What this result has meant to us is that, instead of being able to make an addition of 30 lakhs to the balance of 74 lakhs standing to the credit of the Revenue Reserve Fund, the whole of that balance had to be drawn upon and we were left with an uncovered deficit of 32 lakhs.

REVIEW OF THE YEAR 1929-30.

4. Turning now to the results for the current year 1929-30, though I can see no cause for anything like permanent pessimism for the future, there are many things which have increased the difficulties of the present. Failure of rains in some places, excessive rains with serious flood damage in others, combined with political uncertainties which have had an unsettling effect on commerce and industry, have been factors special to India, while, at the same time, India has suffered from the general disturbance to world conditions caused mainly by the unprecedented Stock Exchange speculations in the United States followed by the sudden and sensational

General conditions.

collapse in October. The speculation was accompanied by a huge demand for money to finance Stock Exchange transactions at high rates of interest which attracted a flow of capital from all countries on a scale which has hitherto been unknown. The collapse seems likely to result in a period of business stagnation in America, which has already produced a serious fall in the prices of all commodities. While the effect of these events on monetary conditions in India has been apparent throughout the year under review, the effect of the fall in prices on trade and production is only now beginning to be felt. I propose to revert later to general economic conditions in India. At the present stage, it is only necessary to give a brief review of the actual trade conditions in the first nine months of this year.

5. The visible balance of India's trade, including private imports of treasure, for the nine months ended the 31st December 1929 was 41·62 crores against 39·76 crores in 1928 and 33·07 crores in 1927. Exports of Indian merchandise, however, show a deterioration of about 8½ crores as compared with last year which is accounted for by a large drop under jute yarns and manufactures (3·38 crores), jute raw and waste (2·71 crores), wheat (1·46 crores), barley (1·58 crores) and hides and skins (1·39 crores). Rice exports, on the other hand, have been considerably more encouraging and show an improvement of 2·51 crores, while exports of cotton are also slightly better than last year (·22 crores).

6. Imports of foreign merchandise also show a considerable drop as compared with last year (4·54 crores) which is shared by cotton yarns and manufactures (2·11 crores), other yarns, manufactures and textile fabrics (2 crores), iron and steel and manufactures thereof (1·39 crores). It is satisfactory to note that imports of rice which amounted to 1·49 crores in the first nine months of last year fell to 7 lakhs during the same months of the current year, although imports of wheat increased from 1·75 crores to 3·64 crores.

7. Despite the fact that the fall in the exports is about twice that in imports, the visible balance of trade has actually risen, as net private imports of treasure also fell by 6·38 crores to 18·12 crores which is the lowest figure touched since 1922-23.

8. The unfavourable factors to which I have referred, have, of course, been reflected in our budgetary results, but, on the whole, we have been fortunate in the sense that we have had certain special wind-falls, as a result of which I can anticipate that the accounts for 1929-30 will close without showing a deficit. In the first place, we have found ourselves, as a result of the facts which I have already explained, without any balance to the credit of the Revenue Reserve Fund and, therefore, unable from this source to make good the deficit of 90 lakhs which, as Honourable Members will recollect, I had anticipated for the current year. Apart from this, the results to date indicate, on balance, a deterioration as compared with the budget estimate. While Taxes on Income, Salt and net Opium receipts indicate a probable improvement of 1,12 lakhs, there are deteriorations under Customs (55 lakhs), Miscellaneous payments (52 lakhs), Railways (13 lakhs), Posts and Telegraphs (50 lakhs) and other heads (8 lakhs). I must here mention that the items affecting Interest—that is to say, taking into account outgoings and receipts together—only show a net deterioration of 3 lakhs; but the deterioration would have been considerably

Revised estimates.

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larger if we had not had exceptionally large receipts from interest on the Gold Standard Reserve. The high rates of interest prevailing for money during the first nine months of the year, combined with an appreciation in the value of our investments from the low point to which they had, as I have already explained, been written down on the 31st March 1929, have combined to give us an altogether exceptional figure under this heading. Our receipts, in fact, exceeded the budget estimate by 74 lakhs. I shall refer to this matter again.

Deficit averted by a wind-fall.

9. The result from all the figures which I have given, is a net deterioration of 66 lakhs as compared with the budget estimate, and this, combined with the original deficit of 90 lakhs, which, as explained, cannot be covered, as expected, by a transfer from the Revenue Reserve Fund, brings us to a total deficit of 1,56 lakhs. As against this, however, we can balance a special wind-fall, because we are able to bring into account a large sum held by us at credit of the German Liquidation Account under the Treaty of Versailles, which, as a result of decisions arrived at at the Hague Conference, will now accrue to the Government of India. By a curious coincidence, this amount is 1,56 lakhs and exactly balances the deficit previously disclosed. On this basis, therefore, the year 1929-30 will close with an even balance.

Gap not fully filled.

10. I do not, however, wish to give a misleading picture and we must fully realise that several exceptional receipts—apart from this special wind-fall—have contributed to the result. I have already alluded to the exceptionally high item for receipts under the heading of interest on the Gold Standard Reserve, and, in addition to this, there are several items which can hardly be regarded as normal. I would refer specially to the sugar import duty on which we anticipate a receipt of 8·35 crores as against the budget estimate of 7 crores, and jute export duty, which at 4·71 crores, is 50 lakhs above what I consider to be a safe and normal figure. Further, the revised estimate for Taxes on Income includes a special wind-fall of 30 lakhs as the net result of certain judgments in the Privy Council. I refer to these matters, because, in any review of the position undertaken for the purpose of considering future policy, it is necessary to eliminate exceptional items of this kind. If, on this basis, we examine the position since the final remission of the provincial contributions, we find that in 1927-28 there was an actual deficit of 2,21 lakhs; in 1928-29 a deficit of 1,06 lakhs; while, for 1929-30, the figures which I have given sufficiently clearly explain the position. These results indicate that, taking into account the unavoidable increase in expenditure, and even making allowances for the present depressed trade conditions, the gap caused by the remission of the provincial contributions has not, on a normal estimate of revenue and expenditure, been fully filled.

PROSPECTS FOR THE YEAR 1930-31.

11. I must now turn to the prospects for the next year—1930-31, so arranging my statement as to indicate, as clearly as I can, the main frame-work of the problem with which we have to deal. I will start with certain preliminary explanations. First, on a matter of detail, in the figures which I am now going to give to the House. I shall eliminate receipts on

account of the two-anna petrol tax which are off-set by the block grant on the other side to the Road Development Fund. Secondly, in my forecast for next year, I am not taking into account the possible effects on revenue of serious disturbance or the practice of civil disobedience. Even if we could consent to the assumption that the threats of such action will be realised (which, of course, we cannot do), it would be impossible to estimate its effects. Nevertheless, I cannot avoid taking some account of the reaction of the attitude of certain political leaders and parties on business conditions in the country, for, to some extent, that reaction is already an established reality. A serious blow has been given to confidence, both within India and outside it, by the doctrines preached in December last at Lahore and since then throughout the country. In saying this, I refer not only to the threat of repudiation of debts—which I am convinced that no responsible Indians take seriously—but also to the general programme of civil disobedience and the attitude of hostility to the British connection and British interests. It is not for me, in a financial speech, to express views as regards this policy or the ideals which underlie it. I only wish to refer to the inevitable economic results.

Political conditions.

12. Translating this view into a practical appreciation of the budgetary prospects for next year, I am forced to the conclusion that, even allowing for a reasonable good monsoon, the prospects of trade cannot be regarded as very bright. World conditions are against us and the chances that business in India can develop favourably in spite of these adverse factors, are very seriously reduced by the blow to confidence in new enterprise which has been given by the conduct to which I have referred.

Revenue.

13. Adopting this appreciation of the position, my forecast as regards the main headings of revenue would be as follows:

Customs.—I am allowing for a net deterioration, exclusive of the Road Fund receipts, of 1,09 lakhs as compared with the budget estimate of the current year, and of 42 lakhs as compared with the revised estimate. The total estimate for Customs, exclusive of the Road Fund receipts, is thus put at 49·30 crores.

Taxes on Income.—I expect we shall collect 17·30 crores, which is 70 lakhs more than the current year's budget figure, though only 20 lakhs more than the revised estimate.

Salt.—I have assumed a receipt of 7·05 crores which again is 70 lakhs more than the original estimate of the current year. This latter, as explained in my last budget speech, was abnormally low as a result of speculation.

Opium.—Compared with the budget for 1929-30, next year is expected to show a drop of 33 lakhs in receipts as a result of the ten-year programme, and of 7 lakhs in payments—a net diminution of 26 lakhs.

14. The net result is that, so far as the main heads of general revenue are concerned, there will, on the basis of existing taxes, be a net growth of no more than 5 lakhs as compared with the budget estimate of the current year.

Departmental transactions.

15. Turning to departmental transactions, this House is already aware that the contribution from the Railways to general revenues is likely to be less satisfactory than in recent years. The total is estimated at 5·74 crores, as compared

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with the budget figure last year of 6·25 crores, showing a net deterioration of 51 lakhs. In *Posts and Telegraphs*, prospects for next year are likewise unsatisfactory. It is necessary to anticipate a deficit of 48 lakhs on the Indian Posts and Telegraphs Department and of 8 lakhs on the Indo-European Telegraph Department. Taking into account the capital expenditure charged to revenue, the net deterioration as compared with the budget estimate of the current year is 48 lakhs.

16. It will be seen, therefore, that, on the results of the two large Commercial Departments of the Government, the Railways and the Posts and Telegraphs Department, we have to anticipate a total deterioration of 99 lakhs as compared with the budget estimate for 1929-30.

Expenditure.

17. I will now turn to the main heads of expenditure. In dealing with this, I intend, throughout my remarks, to draw a distinction between normal administrative outgoings and those other heads such as Debt Services, where we have to meet either charges for the service of our loans or make provision for redemption or security. Expenditure of this sort falls in a different category, for the charge for service of the loans is unavoidable, while to provide money for security provisions cannot be criticised as extravagance but is, on the contrary, a thing to be commended as sound and prudent finance.

Administrative expenditure.

18. Having drawn the distinction between these two kinds of expenditure, I will turn to examine the former, namely, the whole field of normal administrative expenditure. It is on our action in this field that I expect and, indeed, desire Honourable Members to turn their most critical scrutiny. There is a general demand for retrenchment and economy on the one side, and, on the other there is the persistent and insistent pressure for increased expenditure on particular projects, such as improvement of conditions of service, education, hospitals, and sanitary arrangements, agricultural endowment, police measures, roads, etc., and very often those who press most vehemently for retrenchment in general, are among the strongest supporters of particular proposals for new expenditure. I shall deal later with the general position as regards an economy survey and the possibilities of retrenchment. For my present purpose, I merely wish to give some indication of the total amount of new demands for which, after most careful scrutiny and rigid exclusion of everything that is not necessary, we have thought it essential to provide. In what I have now to say, I shall be comparing the budget estimates for next year with the budget estimates for 1929-30, because it is in this way that I can most clearly present the problem.

Increments.

19. In the first place, there are the normal increments in rates of pay for the existing staff of Government officials. Now that a time-scale basis has been adopted in practically all Departments, this is an inevitable commitment, and, unfortunately, we have not yet approached anything like the peak figure. It is very difficult to frame an exact statement of the yearly increase due to this cause; but I am satisfied, after careful investigation, that a fairly reasonable estimate of the total increase under this heading, as compared with the budget estimates in the current year, is 25 lakhs.

Special new demands.

20. Apart from this, there are a number of new demands of a special nature which are of sufficient interest for me to call the attention of the House to them:

	Lakhs.
Census Operations	11

This requires no special explanation. It is expenditure which has regularly to be undertaken every ten years and is not a normal annual charge.

Grant to Aligarh University	5

This grant is made in accordance with the undertaking which has already been given by Government in this Assembly.

Recurrent Grant for Agricultural Research	5

This is the first year in which this grant figures in the budget estimates. This money is to be devoted to special schemes for agricultural research and is additional to the annual expenditure of about 2½ lakhs which is also included, to its full extent, in the budget this year to meet the charges of administrative staff.

Special Fund for financing measures for the encouragement of Sugar Cultivation	10

This is an item to which I have special pleasure in making reference, as it represents a first step in a definite constructive policy by the Central Government, taken up as a sequel to the recommendations of the Agricultural Commission. It is to be hoped that this, combined with other measures included in my budget proposals, will have a definite and far-reaching effect on the agricultural production of India and the material prosperity of cultivators in the sugar-growing districts.

Banking Enquiry	7

This requires no special explanation as the circumstances are familiar to Honourable Members. There was no corresponding provision in the Budget for 1929-30, although I had to ask for a supplementary grant for the current year. I will only take this occasion for saying that I have great hopes that the Banking Enquiry may represent the first chapter in a long story of development of India's resources under the leadership of Indians. Much valuable work has already been achieved and, in time, the country will come to appreciate the work of, and express gratitude to, those on the Provincial and Central Committees who have taken the lead in this work. I do not wish myself now to select any particular names for mention; but I should like to express general satisfaction and gratitude for the whole-hearted co-operation which I have received. My Honourable friend Mr. Kelkar, in the course of his speech in the budget debate last year, told me that the spirit of co-operation was dead. I ventured, on that occasion, to express my disbelief in this dictum, and I am glad to be able to say that my experience during the last twelve months has supported my view. As I have said on many occasions, I do not expect that any striking and spectacular measures can be produced immediately as a result of this Enquiry. But I do hope and I most sincerely believe

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that a strong and steady movement will be started as a result of the interest evoked by the Enquiry and the education of public opinion which the reports will produce. As a result of this Enquiry, we shall have a simultaneous survey of conditions throughout India of a kind which has never before been achieved, and I am certain that this survey will throw into high light the field for work to improve conditions, while, from the recommendations which will be made, we shall get valuable help as to the nature of the work to be undertaken. I have great hopes also that, from the Provincial Committees and from the Central Committee, there may spring up some form of permanent organisation for keeping watch on the field for action, learning lessons from the development which takes place and proposing new measures from time to time as the need for these becomes apparent.

I have been told sometimes that the procedure adopted has been cumbersome and unbusinesslike; but I have been very gratified to find that, as the result of the Enquiry and the interest taken in it have become clear, those who criticised at the beginning have tended to change their view. Possibly, viewed as an act in one of the late chapters in the history of an old and experienced bureaucracy, there may be something of an amateur and unbusinesslike nature in the procedure which we have chosen. But I prefer to regard it not in this light but as an act in the first chapter of a new volume in the history of India's constitutional and social evolution. Doubtless, mistakes have been made and doubtless, much of the work may prove to be of an amateur and inexperienced nature; but, if mistakes have been made, they will be mistakes from which further experience will be gained, and nearly all of those who gain experience on the various committees in this Enquiry will remain in the country and be capable, in their further public service, of giving to the country the value of that experience.

The next special item to which I come is the *Royal Commission on Labour* for which the increase over the budget provision in the current year is ... ... Lakhs. 24·5

This again is a subject well-known to the Assembly, and again it is an enquiry which, one may hope, will produce results of lasting value to the country and of great benefit to the wage-earning classes.

A further item of special interest is a provision for the next instalment in the programme for developing the *Territorial Force* in India of. This grant will provide for a further instalment in the current programme, and will mean, principally, the improvement of training facilities for existing units and the raising of two new urban Companies.

The largest item of special new expenditure to which I now come is that on measures to be taken for the development of *Civil Aviation*, the total of which, including many non-recurring items, amounts to ... 24·5

The policy which has been adopted in this matter is now well-known and the Government's plans have been fully discussed and considered in the Standing Finance Committee. In framing their policy, the Government have endeavoured to meet the wishes of the non-official representatives in this House, and I would only take this occasion to remark that the greater

part of the expenditure which we are now undertaking, particularly that for the provision of ground organisation and meteorological facilities, is really forced on us by our international obligations.

Apart from the above items, I will select for special mention the following:

	Lakhs.
Further instalment of the programme of medical and public health improvements in centrally administered areas	3·5
Broadcasting	2·7
Special repairs to flood damages in the North-West Frontier Province	5
Andamans reclamation (increase in grant made in 1929-30) ...	5
Mechanical extraction of timber in the Andamans	2
Forest conservancy in the North-West Frontier Province ...	1·5
New staff and equipment for the Imperial Department of Agriculture	1·5
Agricultural development in Baluchistan	·5
Appointment of Indian Trade Commissioners overseas and strengthening of the superior staff of the High Commissioner for India, London	·5
The total of the above items is roundly	95
To this must be added a sum for miscellaneous new items of ...	26
These, together with the sum of 25 lakhs to which I referred at the beginning as representing the increase on account of increments of pay, bring the total of the new expenditure, for which we have to make provision in the budget, to	1,46

21. I have risked wearying the House in giving these details, because I have been anxious this year to place before Honourable Members a full picture of the problem which we really have to meet, and I have thought that, by analysing and selecting the new items of expenditure, I should enable them to understand the case more clearly than can easily be done by a scrutiny of the very complicated volume in which the Demands for Grants are set out. The items to which I have referred are those in regard to which, as I have said already, the Government's policy as regards economy is chiefly to be tested.

22. I must turn now to those headings of expenditure which fall into the other class, and I would refer chiefly to the Government's debt obligations. I shall first deal with ordinary interest payments.

Interest payment.

	Lakhs.
Interest on Ordinary Debt shows an increase of	46

partly as a result of larger treasury bill transactions, and partly because larger provision has been made for the cost of conversion operations.

Interest on Other Obligations, including provision for cash certificates on the basis which has hitherto been adopted, shows an increase of ... 61

of which 15 represents higher rates of interest to be allowed on Provident Fund balances and 21 is accounted for by higher borrowing rates.

[Sir George Schuster.]

Receipts from the Gold Standard Reserve.

23. Interest receipts are put at the same figure as in the budget estimate for the current year, 3·45 crores, and here I would explain that we propose, in future, to adopt a more conservative system as regards the Gold Standard Reserve interest. We propose, in fact, to treat £1,600,000 as the standard figure of revenue. If, in any year, the actual receipts exceed this sum, one-half of the surplus will be added to revenue and one-half will be transferred to an Equalisation Fund, which Fund will be available to be drawn upon to make the receipts up to the standard figure of £1,600,000 in any subsequent year in which they fall below that level. It is, I am glad to say, possible to make a start by putting a balance in this Fund immediately. The actual receipts for 1929-30 are estimated at £2,400,000, and out of this sum it is proposed to make a start by placing £100,000 to the credit of the Equalisation Fund. For the coming year, we estimate the receipts at £1,700,000, so that, acting on the rule which I have stated, we propose to include £1,650,000 in the budget estimates of revenue and to transfer the balance of £50,000 to the Equalisation Fund. I am convinced that this proposal represents a great improvement in our system and is in accord with principles of sound finance. The fluctuations which have occurred in the past have been of so wide a nature as to be embarrassing to the budgetary position and to create a misleading impression as to our general revenues. I need only quote the example of the last two years. For 1928-29 the ultimate figure was £1,243,000, while for 1929-30, as I have already stated, the revised estimates put the receipts at no less than £2,400,000. As I have already explained, the figure which we are now taking gives us the same total of interest receipts as in the Budget for the current year, and, therefore, allowing for the increases in interest payments, the net deterioration under the general head of Interest is 1,07 lakhs.

Bonus on cash certificates.

24. I now come to the subject of the special provision to meet our liability in regard to Post Office Cash Certificates. Honourable Members are so familiar with this subject that I need not go into great detail. The amount which we calculate as likely to be payable next year in respect of bonuses is 1 crore. But this, Honourable Members are well aware, is something much less than the liability which will actually accrue during the year. The total balance remaining in the hands of the Government from receipts from Cash Certificates will amount, at the close of the current year, to 35¼ crores, so that the provision of 1 crore represents less than 3 per cent. on this. I have carefully calculated what the full amount of the liability, which will accrue during the next year, will be, and it comes to a figure of 1,88 lakhs. If, therefore, we are to make full provision for this accruing liability, we ought to find another 88 lakhs for the purpose, and it must be remembered that this will only cover the liability accruing during the year and will include no provision for meeting the liability which has already accrued. I have come to the conclusion that this accrued liability must be regarded now as part of the Government's debt and that, having regard to the provision which we make annually for reduction or avoidance of debt, the situation in regard to this is not unsound. But I feel no hesitation in saying that the time has come when we ought to make full provision for the liability which, in future, will annually accrue. Therefore, I have to provide for this new charge of 88 lakhs.

Reduction or Avoidance of Debt.

25. I next come to the provision for reduction or avoidance of debt. As Honourable Members will recollect, I stated in my budget speech last year, that I proposed to bring this under review in accordance with the arrangements originally fixed and I promised to take representatives of this House into my confidence before making any change. In accordance with this undertaking, I have communicated on two occasions with the leaders of the non-official parties in the House. On the first occasion, I asked whether they had any suggestions to make, and to this request I received no response. On the second occasion, I informed them that, after my own consideration of the matter, I had come to the conclusion that our arrangements in this respect were so closely connected with the arrangements for the Railway Convention that I thought that the two reviews ought to be undertaken concurrently with one another. My reason for this view is shortly as follows.

Connection with Railway Convention.

26. According to the present Convention, the Government receive, in addition to the refund of the actual interest which the Government have themselves to pay on loans raised for Railway purposes, a contribution, which, although it is made up of various elements, may be regarded as a percentage on the capital advanced to the Railways. Looked at in this way, it represents the distribution of even less than 1¼ per cent. on the Government debt, which forms the basis of the present provision for reduction or avoidance of debt. In fact, I think it is, on broad lines, correct to regard the one as balancing the other, and we shall arrive at a truer picture of what the Government draw from the Railways if we realise that, in fact, the Government get no profit but apply practically all that they receive, apart from a refund of their own interest payments, for the amortisation of their capital. When, therefore, the contribution falls below a certain figure, the Government, if they made up their accounts on a profit and loss basis, would actually show a net loss on the year. This is not the occasion for me to examine the justice or otherwise of this arrangement, but I think that what I have said is enough to show that the two arrangements are closely inter-connected. I may say that, when I represented this close inter-connection to the leaders of the various parties, the response, so far as I received any, appeared to me to indicate a general agreement with my view that the two Conventions must be considered together. I feel, moreover, most strongly, on general grounds, that this is not the time when, keeping in view our credit in the world, we ought to attempt any substantial diminution in our provision for reduction or avoidance of debt. Anything that savours of a "raid" on a public Sinking Fund is normally,—and, I think, quite rightly,—viewed with disfavour. I hope, therefore, that I shall have general agreement from Honourable Members that it is better to leave this provision substantially untouched and to bring it under review at the time of the general revision of finances including a re-distribution of the sources of revenue as between the Central Government and the Provinces, which must be a sequel to the proposals of the Constitutional revision which will shortly be before us.

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27. I have, however, thought it justifiable to introduce two small changes in our present system. In the first place, we are now regularly in receipt of certain annual payments on account of Reparations. These have hitherto been added to the provision for reduction or avoidance of debt. But, on the view which I have taken above, this provision is at present adequate by itself, and I do not think that there is any justification for increasing it by the adventitious addition of Reparation receipts. I feel the more justified in adopting this view for the next year, because I propose next year, for the first time, to make adequate provision for our accruing liability in respect of cash certificates. This means that a receipt of 32 lakhs which would otherwise have been added to the provision for reduction or avoidance of debt will be available for other purposes and I think we may regard it as earmarked against the provision which I am making for the Post Office cash certificates.

Changes in Debt Redemption provisions.

28. The second change which I am proposing is of a minor nature. I have found that, in regard to the sterling debt incurred since the 31st March 1923, the rupee equivalent on which the percentage for reduction or avoidance of debt is based, is still reckoned on an exchange rate of 1*s*. 4*d*. I am proposing that the conversion should be made at the present statutory rate which is obviously the correct basis. This makes a difference of 12 lakhs. Even allowing for these two changes, the increase in the provision for reduction or avoidance of debt is 27 lakhs, the total amount standing at 6 crores as compared with 5·73 crores included in the budget estimates for 1929-30.

29. I can now recapitulate the position in order to show the problem with which I have to deal in balancing the Budget next year. Comparing our position with that provided for in the budget estimates of 1929-30, I have to provide for the following items of deterioration:

Summary.

	Lakhs.
Deterioration in the main Commercial Departments, Railways and Posts and Telegraphs	
Essential new services and demands	99
Net addition to interest on dead-weight debt	1,46
Special provision for bonus on Post Office cash certificates	1,07
Increase in provision for reduction or avoidance of debt	88
To these items must be added the budget deficit of 1929-30	27
	90
This gives us a total of	5,57
Against which the net improvement on the main revenue heads is only	
There is thus a total gap to be filled of	5
	5,52

The problem before us is how to fill this gap.

30. In the first place, I must make clear the principles on which I have endeavoured to act this year in dealing with expenditure demands. I have set before myself two guiding rules. The first is that no new administrative expenditure shall be admitted which is not either essential or productive; the second, that whatever new

Restrictions on new expenditure.

expenditure is admitted on these grounds must be balanced by corresponding economies. There must, in fact, be no *net* increase in the normal outgoings of the Government. These rules have been followed in my proposals.

31. In stating my problems, I have shown that the essential additions for new services and demands amount to . . . . . Lakhs 1,46

Reductions effected.

and, according to my rule just stated, this must be balanced by corresponding economies. Actually, as a result of the elimination of certain previous non-recurring items and of other variations, there is an economy in the civil estimates, of 62

and, on top of this, I am providing for a reduction of military expenditure of 80

that is to say, the net military grant, apart from expenditure on the Territorial Force, will be reduced from 55 crores to 54·20.

These two reductions together account for 1,42 lakhs against the new expenditure of 1,46 and I have thus been able to comply, within a very narrow margin, with the rule which I had set myself.

32. This is, in broad outline, a true presentation of the picture, though I have, for the sake of brevity, omitted a mass of minor confusing details. I might present the same picture in another way so as to provide Honourable Members with a cross check on my statement. They will find, from an examination of the budget estimates, the following net changes in the main heads of normal outgoings:

Civil Administration	+60
Other Direct Demands on the Revenue	+3
Miscellaneous	+10
Civil Works (other than Road Fund)	—3
Or a total increase of	70
Against which may be put the reduction in Military expenditure of	80

33. I must, at this stage, say a few words on this last item which, I am sure, Honourable Members will view with considerable satisfaction. The actual arrangement which I have been able to make with the Army authorities on this subject requires special explanation. This House will recollect that, in the course of my budget speech last year, I explained that, in order to enable the Army to carry through their plan of re-equipment, a programme had been arranged, providing for a stabilised military budget (exclusive of the expenditure on the Territorial Force) at a net figure of 55 crores for the four years beginning 1928-29 and ending 1931-32. According to this programme, we should have before us two more years at 55 crores, with the prospect of a reduction at the end of that period when the programme of re-equipment is completed. In the budgetary proposals which I am now presenting, we are taking advantage immediately of part of the ultimate reduction. This is made possible because the Army authorities have been able to agree to spread the programme of re-equipment, which remains to be carried out, over a period of three years instead of two. This means that instead of getting 55 crores in each of the next two years, to be followed by a drop in the third year, they are to work on a basis of getting 54·20 crores for each of the next three years, after which a further substantial drop is anticipated.

Military expenditure.

[Sir George Schuster.]

34. The net result is that, although we are not departing from the original programme of re-equipment, we are distributing the burden in a way which is fairer to the tax-payer of today and we are actually realising now a substantial part of the economy which was ultimately hoped for. I trust that Honourable Members will be gratified by this definite sign that Army expenditure is really to be reduced.

35. I may now turn back to my main problem. The two items of savings to which I have referred amounted to 1,42 lakhs. This reduces the gap of 5,52 lakhs, which I have to find funds to fill, to 4,10 lakhs. This can only be done by finding new sources of revenue and it is to my plan for achieving this purpose that I must now turn.

Budget Proposals.

36. The sum required is substantial and the provision of funds to meet it has been, as Honourable Members will readily recognise, a matter for prolonged and anxious thought. I believe, however, that it can be found by measures which not only will not impose an oppressive burden on any class, but will, in their indirect results, actually stimulate the country's economic development. The measures which I shall propose include changes—reductions as well as increases—in the customs duties affecting rice, cotton piece-goods, kerosene, sugar and silver, supplemented by a small change in the income-tax.

37. I will start with a proposal for reduction of duty. I am proposing—and I feel sure that the House will welcome this proposal—a reduction in the export duty on rice by one-quarter, that is to say, from three annas a maund to two annas three pies a maund. There has been, as the House knows, a world-wide fall in the price of rice and the present time is therefore opportune for giving some help to the cultivator in Burma who has been a sufferer from this fall in prices. My proposal will remove the disparity, which at present exists, between our export duty on rice and that imposed by Siam, one of Burma's principal competitors in the trade. This proposal will cost us 30 lakhs; a larger sacrifice of revenue from this source could not, in present circumstances, be justified. Although Burma which is mainly interested, is far from us, I hope that this plan will commend itself to the House and be regarded both as an act of justice and a step in the right direction. It means, however, that the gap which I have to fill is increased to 4,40 lakhs.

Reduction in export duty on rice.

38. I must now explain my proposals for raising the necessary new revenue, and I will make a start with the most difficult question which we have had to consider—the cotton duties. Here two motives come into play—first, the provision of revenue; second, assistance to the Indian cotton mill industry. Our line of action must take into account both these motives, and though I, as Finance Member, am not directly concerned with the second, which properly falls within the province of my Honourable Colleague, the Commerce Member, it has been decided by the Government of India that I should take this opportunity to announce the whole of the Government's proposals.

Increase in import duty on cotton piece-goods.

39. Action taken for the provision of revenue is a straight-forward matter, but the consideration of protective measures raises much more serious difficulties. Let me state, as briefly as I can, how these difficulties have appeared to us.

Difficulties involved in protective measures.

40. There is, of course, at the outset, the obvious problem of reconciling the interests of producer and consumer. Measures of protection must be so designed as to be effective for their purpose with the minimum interference as regards prices to the consumer.

41. But, apart from this, there are certain special difficulties in the present case. In the first place, the whole question of protection of the cotton industry was investigated by the Tariff Board a comparatively short time ago, but the case which has now been presented on behalf of the mill-owners claims a measure of protection greatly in excess of anything recommended by the Tariff Board. In these circumstances, a further enquiry might reasonably be considered desirable. But, as against this, we are told (and it is a fact which we cannot dispute) that the case is urgent, and that, if action is to be effective, it ought not to be delayed.

42. In the second place, the conditions affecting the industry are not identical throughout India. Bombay is at once the most important centre of the cotton mill industry, and the centre more seriously menaced by foreign competition. At other centres, the average profits of the mills are nowhere high in relation to the capital invested in them, but throughout the world the industry is passing through a period of depression, and low profits are not a valid ground for special assistance.

43. In the third place, as was pointed out by the Tariff Board, the increasing competition from the up-country mills is one of the most important factors contributing to the depression in Bombay. Therefore, whatever measure of assistance is accorded to the industry as a whole, it is likely to be ineffective in ensuring permanent recovery to Bombay, unless the industry there seizes the opportunity afforded by that assistance to reorganise itself and increase its efficiency.

44. Moreover, there is another aspect of this question in which the public and the Government are greatly interested. Bombay has been the scene, during the last two years, of a prolonged and exhausting struggle between capital and labour. Without pronouncing judgment on either side or anticipating the views which may be expressed by the Royal Commission on Labour which is now sitting, it is fair to say that there can be no permanent restoration of prosperity to the Bombay industry unless the relations between labour and capital can be improved and all the conditions affecting labour brought up to a higher standard. These two considerations have, in the present case, a special significance, for, Government are being asked to take emergency measures, not to protect an industry in the early stages of its development until it can find its feet, but rather to save an industry (or, more accurately, one important section of it) which is suffering from a special deterioration or atrophy.

45. Although the report of the Fiscal Commission admits that protective measures are justifiable in such circumstances, the Government feel that emergency action, not immediately preceded by a Tariff Board enquiry, ought to be taken only if it can be shown that inaction might inflict grave injury on the national welfare. They feel also that, if such emergency action is taken, a special responsibility far more serious than any that exists when the protection of an infant industry is in question,

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rests upon them, as trustees for the public, to take all possible steps to ensure that the assistance given will be utilised to the full. In such cases, it might sometimes be possible to make the adoption of protective measures conditional on effective reorganisation by the industry itself. But here the urgency of the situation creates a special difficulty. If action is to be effective, it must be immediate, and if the Government were to insist on certain steps being taken as a condition precedent to any measures of assistance to the industry, these measures might come too late. Nevertheless, this aspect of the matter cannot be ignored and I shall refer to it again.

46. I think that in these remarks. I have sketched, in broad outline, the main framework of the problem which concerns us.

47. The conclusions which we reached fall under two heads; first, that, in view of the revenue position, a general increase in the revenue duty from 11 per cent. to 15 per cent. was justified, secondly, that while this increase in revenue duty must have an important protective effect, it might be justifiable to supplement it by some special protective measures, provided that, having regard to the special circumstances to which I have called attention, such measures were limited in duration, and also limited to purposes necessary to meet the immediate needs of Bombay. In fact, it would not be justifiable at this juncture, as regards protective measures, to attempt more than to erect a temporary shelter under which the Bombay industry can reorganise itself, and after a reasonable period, for this purpose, it will be necessary to have a Tariff Board enquiry to consider future policy, and, in particular, how the Bombay industry has reacted to the assistance given.

Conclusions reached.

48. I refer again later to the precise significance of this purpose, but, at this stage in my account, I must turn to one aspect of the matter on which I have not yet touched. It is, of course, too well known to need remark that, in all public comments on policy as regards cotton duties, the possible reactions on British interests are always prominently mentioned, and that we as a Government are often suspected of undue solicitude on this account. Having regard to the long and troubled history of the cotton duties in India, and to the public interest in the matter, it has been our desire to put before this House as full and frank a statement as possible. Let me make it clear at the outset that the fiscal autonomy convention is a reality, and that decisions on matters of this kind are left to the Government of India, and it is on this basis that our deliberations have proceeded throughout. But, in the final stages, there has been addressed to us a communication, not by the Secretary of State, but by His Majesty's Government, to reconsider the position.

49. In this message, His Majesty's Government asked us to take into account both the reactions of our proposals in India and their serious effects in England, effects which they felt sure that neither we nor the Legislature would desire to create. To this we replied that, though we were deeply impressed by a message of this nature, we nevertheless felt bound to adhere to our main proposals. We pointed out the following considerations: first, that we needed revenue; secondly, that customs is our chief source of revenue; thirdly, the duty on cotton piece-goods now stood below the level of the general revenue tariff; fourthly, Indian

Message by His Majesty's Government.

industry was suffering from a deep depression and the Bombay mills were approaching a desperate position which might affect the whole future of this important centre of Indian commerce and finance. We recognised and deplored the possibility of serious effects in England, but we stated we felt clearly bound to put Indian's interests first. At the same time, we realised how important it was to India, from the political point of view, to take account of British opinion, and that, quite apart from this, we were of course concerned at this time to avoid unnecessary injury to British interests. We stated that, after careful consideration, we had decided that we could not modify the general application of the 15 per cent. revenue duty, but that we should be prepared to propose to the Assembly that, as regards any additional and temporary protective measures, their application might be limited to non-British goods, and that, in these circumstances, there should be imposed, in addition to the 15 per cent. revenue duty, a 5 per cent. protective duty with a minimum of 3½ annas per lb. on plain grey goods, against all cotton piece-goods from outside the United Kingdom, this protective duty to be in force for three years only, and an undertaking to be given that we should have its effects examined by the Tariff Board before the end of this period.

Temporary protective measures.

50. We explained that, in placing this proposal before the Assembly we should point out that, so far as we are aware, this is the first occasion on which the considered opinion of the Cabinet has been conveyed in this form to the Government of India and that we were impressed by the significance of the precedents so established.

Significant precedent.

51. We informed His Majesty's Government that it would not be right for us to ask the Assembly to commit themselves to Imperial Preference as a principle, but merely to adopt a particular course which, in our judgment, was consistent with India's interests at a critical juncture when much might depend on India's response to the British Government's appeal. We also stated that we should have to make it plain to the Assembly that, while there were grounds for treating plain grey goods specially, we could not, in any circumstances, agree, for the emergency purpose which we had in view, to an additional protective duty of 5 per cent. on all classes of piece-goods irrespective of country of origin, since the immediate benefit to the Indian producer would be wholly incommensurate with the burden imposed on the Indian consumer. Finally, we made it clear that, in a matter of this kind, after frankly stating our conclusions, we should desire to put our carefully considered views before the Legislative Assembly with whom the final decision must rest.

Decision to rest with Assembly.

52. That is how the matter stands, and it is on this basis that our proposals are now put forward. I have thought it right, frankly to put the position before Honourable Members in this way. Indeed, whatever our proposals had been, we could have consented to no other course, for we feel that it is essential, at this transitional stage of the constitution, that there should be full confidence, wherever possible, between the Government and the Legislature. There are certain points with reference to what has passed between ourselves and the British Government, and to the attitude which we adopted, on which I desire to give a further explanation.

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53. We felt, in fact, that this method of approach from the British Government had a special significance. It affords striking evidence that the fiscal autonomy convention has become an integral part of the constitution, and that, even when British interests are most profoundly affected by tariff changes in India, the intervention of the British Government is restricted to representation and appeal. Complete freedom was accorded to the Government of India to take the final decision in whatever manner they thought right for India. It appeared to us that, subject to our paramount duty of considering Indian interests first, no Government of India could ignore such an appeal, for, to any statesmanlike view, it must be clear that India must be vitally interested in maintaining a spirit of co-operation with Great Britain. We felt, moreover, on every ground, that no member of any Government of India, be he British or Indian, would desire to introduce measures likely to inflict serious injury on British interests unless such measures were necessary for India's own development.

Fiscal autonomy convention.

54. It is, of course, obvious that these proposals will evoke very considerable comment and will be subjected to the closest and most critical scrutiny. This we shall welcome, but I would, at the same time, appeal to all Honourable Members to exercise this scrutiny in a calm and judicial spirit before they pronounce any final judgment. It is for them to consider whether they can accept what I have indicated as the guiding principles underlying our proposals, and whether these proposals do, in fact, meet India's immediate needs, while being, at the same time, calculated to further her interests in the widest sense. It will not suffice to keep in view only those factors which, in ordinary times, might be held decisive, for the times are not ordinary. Within a few months, the representatives of India will meet the representatives of Great Britain to discuss, in the fullest and frankest way, the future of this great country, and much must depend on the spirit in which they meet. I would ask Honourable Members to give full thought to the grave importance of these wider considerations. It is obvious that any gesture of friendship which India can spontaneously and without compulsion make to the British Government in their own present grave industrial troubles, is bound to strike a responsive note. For our part, our conviction is that, if our proposals are examined without prejudice, they will be found to be better adapted to India's needs than any other scheme we could put forward, and I must explain shortly our reasons for thinking so.

Wider considerations.

55. In the first place, what we are aiming at in our present measures, is not to settle the policy as regards protection of the cotton industry for the distant future. We are concerned only with providing a temporary shelter under which the industry, especially in Bombay, may firmly establish its position in respect of the business for which it is already equipped. Our measures are emergency measures designed to take immediate effect, to give immediate relief, and an immediate stimulus, so that the Bombay industry may reorganise itself and start again with restored health and a new lease of life on its normal course of development.

56. There is therefore no relevancy for our present purpose in contentions that, taking a long view, the Bombay industry requires to organise itself for the manufacture of the finer goods, and that our present proposals will not help in this direction. Whether such a view is right or not, it could not be translated into the immediate effect which is so necessary. It must, in fact, take many years before the local industry could organise itself to undertake the manufacture of the finer qualities of goods. Incidentally, I may point out that the raising of the import duty from 11 per cent. to 15 per cent. will give very considerable help in this direction; but that is outside the purpose of the emergency measures.

57. Looked at from this point of view, it has appeared to us that our proposals do exactly meet the needs of the case. The imposition, in addition to the increase in the normal duty, of a special additional protective duty against non-British goods, of a 5 per cent. all-round surcharge, combined with the minimum of 3½ annas per lb. on plain grey goods, must operate effectively in just that portion of the field where competition is most severely felt. A study of the statistics makes it abundantly clear that it is not competition from British goods which is now being severely felt, nor has Bombay lost any business recently as a result of such competition.

58. In the second place, I must, on behalf of the Government of India, make it clear that we could not feel justified in imposing for revenue purposes a higher duty than 15 per cent. and that, so far as the protective measures are concerned, it is only if their scope is limited, in the way that we propose, that we could agree to carry them so far. As I pointed out at the outset, we cannot disregard the interests of the consumer and it is contrary to all sound principles to impose a protective duty, putting a heavy burden on the consumer, if the benefit to the producer must be small or negligible. For the period covered by the purpose of our emergency measures, the production in India of those classes of goods which form the great bulk of the imports from the United Kingdom, must be very small, and, therefore, an additional 5 per cent. duty on these goods would put a burden on the consumer without a corresponding benefit to the industry which we have in view. On the other hand, on those classes of goods to which the protective duties will apply, internal competition will increasingly tend to restrict any effect on the interests of the consumer. On these grounds, we hold that our proposals combine the maximum benefit to the industry with the minimum burden on the consumer.

Interests of consumer.

59. I need not elaborate the further arguments which have been dealt with in our telegram, but I must, before leaving this part of the subject, emphasise again one vital point which we have made. We do not, and in fact, we could not, ask this Assembly to commit themselves, at this stage, to accepting the principle of Imperial Preference. We ask them to regard this proposal merely as a special measure designed to meet the immediate emergency. It is, acting in this spirit, that we propose that the special protective duties shall be imposed for a period of three years only, and that, at a convenient date before the termination of this period, their effect, and the whole position of the industry, shall be re-examined in a Tariff Board enquiry.

Re-examination by Tariff Board.

60. Lest it may be argued that such an enquiry should have preceded our proposals, I must explain that we gave our careful consideration to this point and decided that, quite apart from the urgency of the need for

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action, a further investigation by the Tariff Board at the present juncture was not advisable. It is the special duty of the Board to investigate facts and arrive at findings thereon. But owing to the labour disputes of 1928 and 1929, it is more than doubtful whether any material for investigation, beyond that available to the Tariff Board of 1926, exists. Again, conditions in the Bombay mill industry have, since 1926, been examined by the Tariff Board, the Fawcett Committee, and the Pearson Court of Enquiry, while trade conditions have recently been investigated by Mr. Hardy. In these circumstances, we felt that the proper time for a further enquiry by the Tariff Board will come when some progress in reorganisation and rationalisation has been made by the industry in Bombay, and the prospects of ultimate success or failure of the industry can be assessed.

61. There is one more point left for me to deal with in conclusion. I have already referred to the special duty which the Government feel to be imposed upon them in this case to satisfy themselves that effective use will be made of the assistance given, and that attention should be directed particularly to the improvement of labour conditions. We recognise that the ultimate failure or success of the mill industry in Bombay must depend entirely upon the extent to which the millowners utilise the present opportunity in order to improve their efficiency and labour conditions, and that, if full use is not made of this opportunity, the position of the industry may be no better at the expiry of the period of three years than it is to-day. We have already addressed the Bombay Millowners' Association on this subject and have impressed upon them the urgent necessity of working out schemes which may re-establish the industry on a firm basis. Although it has not been possible for us to lay down the lines on which the reorganisation should proceed, or to prescribe the particular measures which should be taken, we propose, now that our policy has been declared, to enter immediately into consultation with the Government of Bombay on this subject, which is their primary concern. It appears to us right that some method should be devised whereby the force of public opinion may be brought to bear effectively upon the situation. At the same time, it is our desire to give the Association all the assistance in our power in order to ensure that the examination of the various problems may be thorough and adequate, and that it may be carried out with the aid of the best expert advice available whether in India or in other countries. Apart from technical assistance, it seems clear that some drastic financial reorganisation and some rationalisation of the methods of manufacture is necessary if the Bombay industry is to be put on a permanent foundation of prosperity. On this subject I cannot at present say more than this—that we are prepared to examine what is required in this direction and to consider whether any form of Government intervention is possible or appropriate. This aspect of the problem is one of great difficulty and I do not propose to lengthen my speech by enlarging further upon it at this stage.

Use of assistance by millowners.

62. I would add, in conclusion, that, although I have spoken chiefly of Bombay, we have also the other industry of India in view and we particularly hope that the measures which we propose will be of real benefit to the hand-loom industry throughout the country-side.

Hand-loom industry.

63. We estimate that the net increase in revenue from our proposals, allowing in full for the protective effect, will be 1,25 lakhs. The proposal to increase the revenue duty will be included in the Finance Bill, while a special Bill will be introduced by my Honourable Colleague, the Commerce Member, containing the protective proposals.

Increase in revenue.

64. My next proposal is to increase the excise duty on kerosene from 1 anna to 1 anna 6 pies per gallon, coupled with a reduction in the import duty from 2½ annas to 2 annas 3 pies. This combined proposal is expected to give us an extra 35 lakhs. At present, there is a difference of 1½ annas per gallon between the excise duty and the import duty on kerosene and the effect of the proposal now made will be to reduce that difference by one-half. In framing our proposals regarding kerosene in this form, we have kept two objects in mind: first and principally, we have desired, simultaneously with getting more revenue, to make a change which should, at the least, ensure that the price of ordinary kerosene to the consumer is not increased, while secondly, we have felt that prudence and justice demanded that we should not make too sudden and drastic a change in the conditions of the indigenous industry, having regard particularly to the position of the smaller companies. Moreover, too drastic a change might hamper further development. In reducing the margin by one-half we have thought that we have gone as far as it would be wise to go, at least as a first step. It means that the marginal duty in favour of the indigenous industry will be reduced from about 18¾ per cent. to 9⅜ per cent.

Increase in excise and reduction in import duty on kerosene.

65. The next proposal which I have to mention is an all-round increase, in the import duty on sugar, of Rs. 1½ per cwt. I am not proposing any change in the existing classification, so that the effect of the proposal will be that sugar of 23 Dutch Standard and above, which at present pays duty at the rate of Rs. 4½ per cwt., will pay duty at Rs. 6 per cwt.; sugar below 23 Dutch Standard but not inferior to 8 Dutch Standard will pay at Rs. 5½ per cwt., instead of at Rs. 4, and sugar below 8 Dutch Standard and sugar candy, which at present pay at 25 per cent. *ad valorem*, will be subject to a composite duty of 25 per cent. *ad valorem plus* Rs. 1⅛ per cent. The duty on these lower grade sugars has, it is true, little significance for the revenue, since imports are at present very small, but it is desirable to keep a due correspondence between the different grades in order to prevent the substitution of lower for higher grade sugars. Molasses, which is dutiable at 25 per cent. *ad valorem*, will remain subject to duty at that rate and will be treated separately from sugar, since its use is mainly as a raw material for industries and, in fact, a Tariff Board enquiry as regards its treatment as a raw material used in the manufacture of denatured spirit, is already in progress.

Increase in import duty on sugar.

66. The increased duty on sugar should yield 1,80 lakhs; but, in estimating its effect upon the consumer it is necessary to bear in mind that the world price of sugar is exceptionally low. The average landed cost of sugar in India from April to December last was no more than Rs. 8·6 per cwt., whereas the average for the previous six years has been Rs. 12·25 per cwt., a difference of about Rs. 3½ as compared with the proposed increase of Rs. 1½. Thus, even the comparatively large increase now proposed should not at present be seriously felt by the consumer.

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Ultimately it may,—and probably must,—have some protective significance; but, for the present, it must be regarded primarily as a revenue-producing measure. I would, however, remind Honourable Members that an increase in the production of sugar is one of the most valuable opportunities available for improving India's agricultural production, and that, with this possibility in view, we are proposing a special grant this year of 10 lakhs (to be continued, if necessary, in subsequent years) for the encouragement of sugar research and sugar production. These two proposals must be considered together, and their possible reactions fully appreciated. It may interest the House to know that duties on sugar, at about the level which we now propose, are in force in most European countries. What we are now proposing amounts to a duty of 9*s.* per cwt. The present import duty on sugar elsewhere is as follows:

	s.	*d.*
England	11	8
U. S. A.	10	3
Germany	12	7
France	8	6
Austria	12	0
Australia	9	4

Increase in income-tax and super-tax.

67. I next propose to obtain an additional 70 lakhs by a small change in the rates of income-tax and super-tax. I hope that the House will agree that, when we are seeking new sources of revenue, it should not all be raised by indirect taxation, but that some direct taxation is justified so that the burden may be equitably spread. At the same time, I recognise that this is not a suitable period for imposing any heavy additional burdens which would be felt in industry or commercial enterprise. Our proposal, therefore, is that, on personal incomes of Rs. 15,000 and upward, the income-tax rates shall be raised by 1 pie in the rupee, and a corresponding increase shall be made in the super-tax in all grades, other than the flat rate of super-tax on companies. The additional yield from income-tax is estimated at 56 lakhs and that from super-tax at 14 lakhs. It has been brought to my notice that, owing to certain features of our income-tax system—particularly the deduction of tax at source, an alteration in the rates might, in certain cases, be taken into account twice in the first year when a change in rates is made. I shall see that the necessary steps are taken to avoid this result.

68. In referring to income-tax, I wish to mention some other changes which I hope shortly to bring under consideration. If the normal economic progress of India is maintained during the next twelve months, it ought to be possible for us to enter on next year in a stronger financial position. I hope then to be able to make a start in introducing the principle of allowing business losses incurred in any one year to be carried forward to the next year. I also hope to be able to remove the present double super-tax on companies, so far as that affects genuine trust and finance companies. Both these changes ought to be beneficial to the progress of business enterprise, and it will be my settled purpose so to regulate taxation as to remove, when opportunity offers, any imposts which may be said to have a hampering effect on such enterprise.

69. The total yield of the taxes which I have now mentioned amounts to 4,10 lakhs, so that I am still left with 30 lakhs to find. I consider, however, in the special circumstances now prevailing, that it is on every ground desirable to have some margin of safety, taking into account the uncertain prospects which we have before us, and taking into account also the paramount importance, to which I have already referred, of improving our credit by displaying a strong financial position to the world.

Import duty on silver.

70. It is with this and other objects in mind that I propose to re-introduce the import duty of 4 annas per ounce on silver. I have, however, purposely kept this proposal till the end, for, in putting it before the House, I want to make quite clear certain conditions which will, I think, generally commend themselves to the public.

71. An import duty on silver is a familiar feature in the history of Indian fiscal policy. Prior to 1910, silver bullion and coin other than coin of the Government of India, were included in the general tariff schedule of articles liable to an import duty of 5 per cent. *ad valorem*, and in that year, the rate was raised to 4 annas per ounce. During the war, the import of silver was prohibited, and after the war, in pursuance of the recommendation of the Babington-Smith Committee, the duty was removed at the same time as the prohibition of import. The Committee advocated the removal of duty mainly on account of the strong feeling in India that it was an obstacle to the establishment of a world market for silver in Bombay and placed the Indian consumer of silver at a disadvantage in comparison with the consumer in other countries. I have given full weight to these objections, but circumstances are different today. It is proposed to meet the former objection by allowing a full rebate of the duty on re-export of any silver which has been imported and has paid duty. As to the latter objection, we feel now that there is a strong counterbalancing advantage in taking a step which will have the immediate effect of improving the internal price of a commodity in which the savings of the masses are to a considerable extent invested. The recent fall in the price of silver has, in fact, put an entirely new aspect on the matter.

72. Apart from this, there is another important new factor in the situation, in that the Government, owing to their possession of surplus stocks of silver and the erection of the new refinery at Bombay, have got into the position of being themselves important "producers" of silver. Our proposal, therefore, has the new incidental advantage of providing Government with a protected market for their own produce. Having said as much as this, however, I must say more in order to avoid the creation of any misunderstanding. I feel that it is important that the masses of India, who invest so large an amount of money in silver should realise that silver is only an ordinary commodity, liable to fluctuations in price, just as other commodities are. It has no sacred properties which make it immune from these vicissitudes, and although the Government, in taking these measures, have in mind, as one of the main advantages, an improvement in the internal value of silver, we should, in the long run, be doing a very poor service to the population of India if we allowed it to be supposed that the Government have the power definitely to maintain prices at a particular level. It is far better that the people should generally appreciate the realities of the situation in this respect. At the same time, the Government do recognise the importance of the interests involved owing to the position of silver in India, as, in some

[Sir George Schuster.]

respects, a store of value and while they must, as holders of a surplus commodity which they desire to sell, reserve freedom of action, I am prepared to assure this Assembly that, in exercising that discretion, the Government will not go to the market unless they are advised that as in the past, the market will not be appreciably affected by their operations.

Sales of silver.

73. If there is any danger of the world's production of silver exceeding the consuming capacity of all markets, then, of course, there must be a tendency to falling prices. Only the combined action of producers and holders can prevent this. The Government of India, holding as they do surplus stocks, which, in the public interest they consider that they ought to realise, cannot fairly be asked to do more than other producers; but I am prepared, on behalf of the Government of India as important holders or producers, to say that, if the other interests concerned show any desire to consider the possibility of joint action for the regulating of sales in order to meet the world's demand, the Government of India would willingly co-operate. Further than this we cannot in the public interest go, but what I have said amounts to a carefully considered and important proposal, and it is for the other producing interests to consider if they will make any response. In the meanwhile, I think I may say with confidence that, at the present level of prices, the imposition of the duty which we propose is not likely to have any serious effect on the consumption of silver in India.

74. While our reasons for imposing the duty are, as I have explained, of a special nature, I am also prepared to say that special circumstances will govern our intentions as to the disposal of the revenue produced. We must, as I made clear, regard the proceeds primarily, at the present stage, as a reinforcement of the general financial position of the Government; but, if our estimates as regards the other heads of revenue are realised, and there is a surplus resulting from the imposition of the silver duty, then I am prepared to say that we have a very special purpose in mind for the application of that surplus. We regard this duty, principally in fact, as a measure which will give us a margin of revenue from which we shall be able to make a distribution to provinces after the forth-coming statutory revision to give them the funds which they require for nation-building services. Though it will not be for the Central Government to dictate to the provinces how such contributions should be applied, there will be an opportunity for discussing this matter when the whole distribution of the sources of revenue is considered, and I think I can say with confidence that additional funds are chiefly required by the provinces for such purposes as economic and agricultural development and primary education. If, pending the further allocation of revenue to the provinces which I have in view, any surplus is actually realised, then, of course, any proposal for its expenditure will be submitted to this Assembly.

Application of surplus, if any, from silver duty.

75. It is on these grounds that I have stated that our proposals in regard to the silver duty must be regarded in a very special light. We propose to include, in our budget figures, a revenue of 1 crore, as a conservative estimate.

76. On this assumption, our budget estimates provide for a surplus of 70 lakhs of revenue over expenditure. As the budget proposals other than those relating to income-tax and super-tax will have effect forthwith, the current year's revenues will also benefit to the extent of 35 lakhs, which amount accordingly appears as a revenue surplus in the revised estimates.

Final result.

REVIEW OF BUDGET PROPOSALS.

77. It is of course obvious to me that these proposals will be subjected to the most searching scrutiny, and the question which will be asked on all sides is whether there is any justification for imposing so heavy an additional burden of taxation.

Justification for new taxation.

78. Before this question is put, I would ask Honourable Members to pause and consider carefully what item of taxation in my proposals does not offer at least some indirect advantages. I venture to say that, with perhaps the sole exception of the income-tax proposals, such advantages will be found. But that is not by itself a sufficient answer, and it is necessary to examine the position further, and attempt to frame some interpretation of the symptoms of the present financial conditions. For, if the short-fall of revenue is merely the result of temporary combination of abnormal circumstances, then one must hesitate to impose the full corresponding burden of permanent taxation, and it might be justifiable to adopt temporary expedients. If, on the other hand, there is a permanent and unavoidable shortage of revenue, then the position must be tackled boldly in order to establish, before it is too late, a sound foundation.

Is present condition permanent?

79. In order to judge whether the present condition is permanent or not, there are two main aspects to be examined, that is to say, one must ask, on the one hand, whether the expenditure required this year is abnormally high and capable, either now or in future years, of reduction, and, on the other hand, whether the revenue anticipated is below the normal expectation owing to special circumstances which are unlikely to be repeated.

80. As to expenditure, I have already drawn the distinction between actual administrative outgoings on the one hand, and, on the other, such items as interest on debt and those provisions which do not represent actual outgoings in cash, but which are required, on principles of sound finance, as reserves against established or accruing liabilities. I will deal first with administrative expenditure. In regard to this I have, during the past year, in accordance with an undertaking which I gave to the Assembly in my last budget speech, conducted in the Finance Department a close scrutiny and survey of the growth of expenditure during the past five years. Reports have been prepared for each Department and these have been circulated to members of the Standing Finance Committee. A good deal remains to be done in the way of completing the details of this Enquiry, but I have gone far enough to come to the conclusion that, for various reasons, we cannot count on being able to find any *substantial* margin for reduction in the cost of the civil administration of the Central Government. In fact, with all the new services and heads which are being pressed for consideration, it is only by the exercise of the most rigid control that we shall be able to keep the growth of expenditure within bounds. The possibility, therefore, of cutting down administrative expenditure, does not, in my opinion, afford any substantial ground for postponing the imposition of taxation to meet

Growth of expenditure.

Provisional conclusion.

[Sir George Schuster.]

the present deficit. But by accepting this conclusion, I do not imply that the search for possibilities of reducing our present scale of expenditure must be abandoned. It has, in fact, been decided by Government—and the proposal has recently been reported by me to the Standing Finance Committee—to appoint an officer on special duty to continue the examination in further detail. It is, in my opinion, necessary to carry out a very close detailed investigation of the causes which have led in the past, and are still leading, to a steady increase in expenditure. Those Members of this Assembly who have sat with me on the Standing Finance Committee are fully aware of the difficulties in this matter. Applications are made in a particular case for improvement of conditions of pay in particular offices. A good case is made out and the improvement, involving perhaps by itself only a moderate increase in expenditure, is approved. But one move leads to another and it is inevitably found that other sections of Government staff, claiming to be working in similar conditions, again press that a similar improvement shall be accorded to them. These claims are difficult to resist, and, moreover, it must be remembered that the control does not lie entirely in the hands of the Central Government. It often happens that a particular claim is pressed in order to afford to members of some branch of a Central Government Department, conditions equally favourable with those prevailing for men in the service of the Provincial Governments working under similar conditions and in the same place. But the time has come for a comprehensive review of the whole situation, so that we may ascertain what claims on these grounds are likely to be pressed in future and that we may, if possible, fix, in consultation with the Local Governments, certain uniform principles from which there can be no departure. Apart from such special cases, the Government have become committed in the past years, to time-scale systems of pay, the full effects of which were not perhaps appreciated at the time when they were granted. These put upon us definite and unavoidable commitments, and I have already indicated that the normal rate of increase under this heading amounts to something like 25 lakhs per annum.

Further investigation.

81. It is important that we should know where we stand in this matter and also when it is likely that the peak of this increase will be reached and what the figure of Government expenditure at that point will be. It is this kind of question which justifies the special appointment to which I have referred, for, the time is coming when, as part of the constitutional reforms which we shall have to consider, it will be necessary to re-arrange the distribution of heads of revenue between the Central Government and the Provincial Governments. When that time comes, it is essential that we should be able to assess, with some accuracy, what our own future commitments are likely to be.

82. These remarks cover one kind of growth in expenditure. But I shall be asked whether, even admitting that this kind of growth is inevitable, it is not possible to make large cuts in the number of appointments and in the amount of the personnel employed. This, indeed, is a subject which will come within the purview of the special examination which we propose. But I should be deceiving this Assembly if I were to hold out any expectation of large economies in this direction. I doubt whether it is adequately realised to what an extent the gradual development of the present form of constitution is placing increased work on the shoulders of the officials

Possibilities of retrenchment.

of the Central Government, and I do not think it is an exaggeration to say that there is not a single Department of the Government of India in which those occupying the higher appointments are not at present overworked. Indeed, I think it far more likely that, as representative institutions grow and sessions of the Legislative Assembly become longer, it will be necessary to divide up some of the existing Departments and create new appointments for their representation in this Assembly.

83. I may, however, again be asked whether there is not a possibility of a different form of economy in the shape of elimination of certain services. At the time of the last big retrenchment movement, certain accessory services were largely cut down, particularly Scientific Departments and such minor departments as the Statistical Branch. My reply to such a question would again be that, unfortunately, it is only too likely that the move will be in the other direction. We are, in fact, at present faced with the need for meeting the demands of a large number of new services. Honourable Members are only too familiar with some of these. The development of agricultural research, for example, is an entirely new demand, as also is that of civil aviation. The former is one which may be fruitful of great benefit to the country; the latter is necessary unless India is to lose her place among the civilised nations of the world. Moreover, it brings in its train other needs such as the development of meteorology and wireless organisation. Again, if we look back on the cuts that were made during the last retrenchment campaign, I think it will be generally admitted, as proved by experience, that, in some respects at least, the economy has not been worth the sacrifice. In advancing this opinion, I have particularly in mind the Statistical Branch; and there, as some Honourable Members know, we have, in response to a far-seeing demand which has been pressed by various influential Members of this House, started on a course which will, I hope, provide those statistics for the gauging of the country's economic conditions which it so badly needs. Public opinion generally seems to be awakening to the desire that the Government of India should adopt a far more active and constructive economic policy than it has followed in the past, and that, in many matters, the Central Government should take upon themselves the responsibility of giving a lead and assistance to the Provincial Governments. This is a desire with which I most heartily sympathise, and it would, in my opinion, be false economy to resist it.

84. Lastly, I would impress on Honourable Members one consideration which has been brought before me very vividly in the course of my work in the Finance Department. The Central Government are directly responsible for the administration of certain areas, and I am afraid that one cannot resist the conclusion that the standard of services provided for in those areas, has, in many respects, been allowed to fall behind that prevailing in the neighbouring areas under Provincial Administrations. This is not a state of affairs which the Central Government can view with equanimity, and I feel convinced that there are considerable arrears to be made up in this direction.

85. For all these reasons, I have myself regretfully come to the conclusion, which I have already stated, namely, that, however energetically and ruthlessly the search for economies is carried out,—and I shall myself welcome any measures for the conduct of such a search,—there is not room for any *substantial* reduction in the civil expenditure of the Central Government.

[Sir George Schuster.]

86. If I turn now to those other kinds of expenditure to which I have referred, namely, those measures for the support of sound financial principles and the provision of adequate reserves against our obligations, I could not honestly put before this Assembly proposals less adequate than those which I have framed. It is, in my view, of vital importance that, at this stage in India's constitutional development, when we stand at the threshold of a new constitutional advance, nothing should be done which would suggest to the outside world that India's credit will be less carefully preserved in the future than in the past. India must be above suspicion in this respect, and in the end, I am convinced that this will prove sound economy and, by improving the country's credit, help materially to reduce the burden of interest which it will have to pay.

Debt Services.

87. If I turn now to the revenue side of the picture,—the second of the two aspects which need examination,—it may be said that the estimates which I have presented, do imply, first, the expectation of a set-back in the tax revenue, or, rather a halt in the normal rate of its growth as evidenced in the results of the last seven years, and, secondly, a very decided worsening in the position of the Commercial Departments of the Railways and Posts and Telegraphs. I am prepared to admit that it is quite arguable that, on the revenue side, the picture which I am presenting, is abnormal and likely to be improved in future years. But, for many reasons, I feel sure that it will be unwise to allow such an argument to prevent the introduction of new taxes sufficient to meet the situation as I have to present it today.

Revenue position.

88. I have many reasons for this conclusion, some of which I may state shortly as follows. In the first place, some of our present sources of revenue are likely to disappear, and, in the case of others, reductions may become desirable. The following special cases may be quoted: As regards opium, we are already committed to the disappearance of this revenue after 1935, and it is essential to find new sources of revenue to replace it. As regards the export duty on rice, I have already indicated in my proposals for this year that this, at its present level, may be a burden on the proper economic life of the country and further reductions may become desirable. It is possible that economic conditions may alter the justification for other forms of export duties as, for example, on jute; while, as regards income-tax, if again we put first the need for removing burdens which hamper the economic development of the country, I should myself welcome the opportunity of being able to introduce certain changes, as, for example, the introduction of provisions for allowing trading losses to be carried forward beyond the year in which they have occurred and the abolition of double super-tax on holding companies. Again, new needs for expenditure are constantly likely to press upon us and I have already referred to some of the new services which are now being developed.

Necessity for fresh taxation.

89. Yet another consideration is this. We have, in my opinion, been working, in the past three years, with a dangerously low margin. In a country like India, subject to great risks of loss of revenue from failure of rains or from floods, it is desirable to have some margin of revenue over expenditure from which a reserve can be built up in reasonably good years. Memories are short,

Larger margin necessary.

and although the last two monsoons have, in places, been unfavourable, it is many years since India has suffered from a real failure of the monsoon.

90. The last consideration to which I have to call attention, is one which bears most weight in my own mind. We have got to prepare for the probability—indeed, I think I may say, the certainty—that the next stage in constitutional development will need provision of more money for the provinces and that, in some form or other, the Central Government must be prepared to relinquish part of its own sources of revenue. After all, it is in the hands of the Provincial Governments that the real nation-building services lie, and the two great needs for India are agricultural development and, as a necessary condition of its success, the increase of a really effective form of primary education. Of all the tasks, the responsibility for which my present office lays upon me, that which I take most seriously is the duty of finding revenue in order that those provinces, which are at present handicapped by financial difficulties, may make a great start forward in developing the services which the country really needs. I believe that, in the new taxes which I have proposed, I have opened the way, if things go well, without putting any burden on the economic life of the country or subjecting to hardship any particular class, to create a margin which will enable us, as soon as the constitutional reforms are settled, to give a fair measure of assistance to the Provincial Governments in the next chapter of their history.

Needs of the provinces.

WAYS AND MEANS.

91. I will now turn to a review of the ways and means position for the current year and the next, a summary of which is given below in the usual form:—

Summary.

(In crores of rupees.)

	Revised, 1929-30.	Budget, 1930-31.
Liabilities.		
Railway capital outlay (construction)	24·15	16·75
Purchase of Railways	7·06	..
Other capital outlay	1·93	3·97
Provincial transactions	9·47	7·93
Discharge of permanent debt (net)	25·36	18·84
Contraction against treasury bills	6·86	..
Contraction against silver	2·94	..
Other transactions	3·96	1·86
Total	81·73	49·35
Resources.		
Revenue surplus	·35	·70
Rupee loan (net)	35·47	23·50
Sterling loan (net)	7·92	..
Treasury bills with public	20·00	—4·00
India Bills	8·00	..
Post Office cash certificates and savings bank	5·94	6·20
Other unfunded debt	8·10	3·16
Appropriation for reduction, etc., of debt	5·85	5·90
Depreciation and Reserve Funds	·99	5·27
Reduction of cash balances	—10·89	8·62
Total	81·73	49·35

[Sir George Schuster.]

92. The gross proceeds of the rupee loan in the current year amounted to about 35½ crores of which 22¼ crores represented conversion of bonds maturing from 1930 to 1932. This substantial reduction in the amount of the loans maturing in the near future has considerably improved the position for next three years, but the actual cash received in subscription to the loan was 13¼ crores only, *i.e.*, 4¾ crores less than the total new loan provided for in the budget. As I anticipated at this time last year, it was necessary to resort to external borrowing on a considerable scale. Sterling bills for £6 millions in each case were issued in London in May and December. The former issue matured in February and in order to place ourselves in funds to meet them, short-term bonds for £6 millions were issued early in February. The total net amount of funds raised during the year in England has thus amounted to about £12 millions. I must deal briefly with the conditions in which the issue of the short-term bonds was undertaken and the reasons underlying Government's action. Honourable Members will have been fully aware from the general review of the Government's policy as regards capital expenditure and borrowing which I gave in my budget speech last year, that I had arrived at the conclusion that external borrowing would be necessary. I then explained how and why, in future, it would be necessary that the rate of capital expenditure should be more nearly balanced than had been the case in the past five years by the increase of our capital resources in the form of fixed loans. It was therefore desirable, in any case, to raise a sterling loan as early as possible after the summer. Conditions, however, were then very unfavourable owing to the position in New York and the existence of a bank rate of 6½ per cent. in London and we thought that we should gain by waiting for cheaper money rates. When the New York boom collapsed, the anticipated easing of money commenced, but, by that time, political anxieties had begun to dominate the position in the London market for Indian securities. I need not give a long account of these events which must be still fresh in the minds of all Honourable Members. I need only say that the nervousness of London investors was intensified by the attitude adopted at the Congress meeting at Lahore in December. Therefore, while our anticipations that money conditions would become more favourable were realised the adverse effects of political reactions counterbalanced the advantage obtained. The facts, however, had to be faced, and as during the year Government had to meet the greater portion of the £5¼ millions for the purchase of the Southern Punjab Railway and about £7½ millions for other railway capital expenditure, we felt that, in spite of the unfavourable conditions, we should not be justified in financing this capital expenditure entirely by temporary borrowing in the form of India bills. We considered, indeed, that some more permanent borrowing was, according to sound financial principles, essential.

Current year.

Sterling borrowings.

93. In saying this, I wish to emphasise that our power to issue bills in the London market is in the nature of a reserve which ought to be kept available to meet temporary shortages of sterling resources. Prudent finance demands that this reserve power should be utilised as little as possible for financing permanent capital expenditure. By the issue of two-year bonds with the option of extension for a third year, we have obtained accommodation for a period sufficient to allow for the passing

of the present political uncertainty and have, at the same time, avoided the burden to the Indian taxpayer, of floating a long-term loan in particularly unfavourable conditions; conditions which, I hope, will prove to be of a temporary nature. In the meanwhile, I am glad to say that the success of this operation, even though the terms were onerous, had a very good effect on our credit in London.

94. The combined amount of the above borrowings corresponds roughly with the budget forecast, but owing to events which it was impossible to foresee, it was necessary to supplement our resources by large issues of treasury bills in India. In the first place, contraction of the currency to the extent of 6·86 crores against cancellation of rupee treasury bills and 2·94 crores against silver withdrawn for sale depleted our resources by nearly 10 crores.

95. Without entering into a long exposition, I wish to explain briefly, and in very elementary terms, the real significance of these currency operations. There is much misunderstanding on these subjects, which is fostered by the peculiar position of the Government of India and the combination of roles which they have to play. In the first place, it is Government themselves who have to do the work and, therefore, as happens in all countries, they are blamed for every untoward occurrence—as some of the Honourable Members opposite would soon find out if—as they hope, and as I often wish they could,—they were to change places with us. But apart from this common experience, the Government are not only the currency authority but are themselves the chief operators in the remittance market. When there are difficulties as regards exchange, which would be expressed in other countries by a tendency to export gold, that is expressed in India by difficulties for the Government to effect remittance, and when we take action to protect the currency position, which in other countries would be regarded as quite normal, it is represented here as artificial manipulation of exchange by Government in order to meet their own remittance needs. That appearance induces an unduly hostile type of criticism.

Currency operations.

96. Then again, let us consider the internal currency position. If, as has happened in the current year, prices fall and the country requires less currency, and if, on top of that, large quantities of redundant silver currency are returned from hoards, the currency authority must meet the situation by cancelling currency. Otherwise, an inflated condition exists, internal prices would keep unduly high in relation to external prices, and internal rates for money unduly low. The result would be that the natural flow of exports, which is necessary to maintain the country's balance of trade, would be restricted and a very unhealthy situation dangerous to stability of currency would be set up. When currency becomes redundant and has to be cancelled, the profits of the currency authority diminish, for, all issues of currency, whether it be silver currency the bullion value of which is less than its face value, or notes for which the authority merely has to bear the cost of printing, bring profits; and the less the amount of currency outstanding, the less the profit. But when we as a Government, in our functions as currency authority, have to cancel currency and thus submit to a corresponding loss of profit, we are accused of pursuing a policy ruinous to the country's interests because we appear as borrowing money at interest in the form of treasury bills and then destroying it by contraction. In actual fact, however, the loss thus incurred only represents a loss

[Sir George Schuster.]

of the profit which we would have made if the country had needed the extra supplies of currency.

97. Some of our critics, however, will say that we have carried this process unnecessarily far and that, in contracting currency, we have not only incurred this loss ourselves but have starved the commercial world in its needs for currency. Of this, as I have, on recent occasions, frequently explained, there is no evidence. Actually, since the beginning of the last busy season, say, from the 1st December, 1928, to the 30th November, 1929, the net contraction was 15·89 crores and the net reduction of notes in circulation was only 2·48 crores. The reason for this small effect of our operation on the note issue is that very large quantities of rupees have been returned. When rupees are returned, notes are automatically issued against them, and if these rupees have come not from active circulation but from hoards, a corresponding inflation would, in fact, have taken place. These have been the actual facts this year, and the proof of the pudding lies in the eating. In spite of the contraction of currency, all the evidence shows that the currency needs of the country have been fully met so far as it was healthy to do so. In support of this contention, I need merely point to the fact that the Imperial Bank's cash, which is the real index of the adequacy of the currency, is considerably higher than it was at this time last year, although no expansion of the currency has been effected this busy season. This shows clearly that the contraction of the currency has not been excessive.

98. While this necessary contraction of 10 crores to which I have referred, counterbalanced part of our borrowings, other factors have contributed further to worsen our ways and means position. The chief cause has come from the Railways. As a result of the falling off in railway receipts and the increase of working expenses, the Railway Reserve Fund will have to be drawn upon to the extent of 86 lakhs to meet the contribution to general revenues, whereas an addition of 3,26 lakhs to the Reserve Fund was provided for in the Budget, while the addition to the Depreciation Fund is now expected to be one crore less than was anticipated. As against this, it was possible to effect a saving of 2,32 lakhs in railway capital expenditure, but, even allowing for this, there is a deterioration of nearly 3 crores under Railways. Borrowings by the Provinces are now expected to exceed the Budget by about 2¼ crores, and, in view of the heavy disbursements in April in London and in India the closing balance will stand at a figure 9 crores higher than provided for in the budget estimate. For these reasons, the revised estimate provides for an increase from 4 crores to 24 crores in the amount of treasury bills outstanding with the public, of which I would remark again that 9 crores is represented by increased treasury balances.

Next year.

99. In my last budget speech, I dealt at length with the railway capital expenditure and envisaged the possibility of a drastic reduction in 1930-31 in order that the credit of the Government might not be over-strained. The purpose thus indicated has been fulfilled, and as the House knows, we are allowing 16¾ crores only for railway capital expenditure, *i.e.*, 7·4 crores less than the revised estimate for the current year. It must be noted that the real reduction in new railway capital expenditure sanctioned is actually larger

than these figures indicate, as 2·35 crores of the programme for 1930-31 really form part of the sanctioned programme for 1929-30. Allowing for this, the programmes for the two years compare as follows:

	Crores.
1929-30	26·50
1930-31	14·40
Reduction	12·10

This comparison brings out more clearly the drastic nature of the curtailment effected.

100. With this provision for railway capital expenditure, our borrowing programme for 1930-31 is, so far as new money is concerned, a very modest one. So far as sterling operations are concerned, I assume that the £6 million India Bills falling due in December will be renewed; but, if conditions are favourable, this floating debt will be funded. As regards India, I estimate that a loan of 23½ crores will be required, of which 7·4 crores only will be new money and the remainder, namely, 16·1 crores will be utilised for redeeming outstanding loans, principally 1930 Bonds. This provides for reducing the amount of outstanding treasury bills from 24 crores at the close of the current year to 20 crores at the close of the next. I anticipate no difficulty in carrying out this programme without disturbing the market for Government securities, and, if conditions improve, it may be possible, to fund a larger amount of the floating debt than I have assumed in my present calculations. On looking back on these proposals, I feel justified in saying that provided only that political disturbances do not upset either conditions in India or confidence in England, our borrowing programme is of such a nature that we could confidently look forward to a general appreciation in Government securities.

Home Remittances.

101. A year ago, it was estimated that we should require to remit £35¼ millions to London in 1929-30. Throughout the year the exchange position has been difficult. India, like most other countries in the world, was affected adversely by the high money rates consequent upon the attraction of funds to New York to finance the speculative boom on the Stock Exchange and by the fall in prices and general trade depression which followed the collapse of this boom. In addition, the uncertain political outlook has led to the export of capital on a considerable scale. As a result, our power to effect remittances to London has been temporarily curtailed and we now estimate that the total remittance through the market in the current year will amount to £19 millions only. This will suffice, with the help of the sterling borrowings referred to above and the transfer of £9½ millions already effected through the Paper Currency Reserve, to enable the Secretary of State to close the year with a balance of £6·8 millions. Assuming that the £6 million India bills falling due in December 1930 will be removed, the amount required to be remitted to London next year is estimated to be about £31·8 millions. This figure includes £3·3 millions for capital expenditure on railways as compared with £7·5 millions in the current year and £2·4 millions for repayment of debt (capital portion of railway annuities, etc.)

[Sir George Schuster.]

102. I should, of course, make it clear that the entire ways and means programme outlined above can only be considered as tentative and subject to modification in the light of the actual circumstances of the time.

Prices of Government securities.

103. Following the practice of previous years, I quote the market prices of certain typical rupee securities of the Government of India:

	Market price on the 20th February.							
	1923.	1924.	1925.	1926.	1927.	1928.	1929.	1930.
	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.
5 per cent. tax-free loan, 1915-55 ..	89 8	97 12	97 15	101 4	107 2	106 11	103 15	100 0
3½ per cent. loan ..	58 0	65 14	66 9	71 6	77 7	76 1	72 6	64 1

104. The fall in prices since last year may be ascribed to a number of causes. Some would no doubt attribute chief importance to the magnitude of the Government's own needs. I explained this aspect of the situation very fully in my speech last year. It is clear now, in retrospect, that from 1925 to the beginning of 1928, the full effects of the capital expenditure programme launched by the Government were not felt. Such expenditure as was incurred was met very largely from reserves, while the expenditure itself had not got fully under weigh. When once expenditure got going at the full rate, and had to be met not from reserves but by fresh borrowing, it was obvious that the price of Government securities must come down from the high peak to which they had climbed. I gave a clear indication of this in my speech last year and also explained that, while I felt it necessary to curtail capital expenditure, it would not be possible to give effect to this at once without great economic loss, because so much work was already in progress and commitments such as the purchase of the Southern Punjab Railway had already been undertaken. I made it quite clear, however, that it was my intention to put on the brake as soon as possible, and, in the meanwhile, I endeavoured to settle the terms of our rupee loan last year on such a basis that it would represent a rock-bottom price from which a steady appreciation might be expected as a result of the curtailment of future borrowings. I think we may at least congratulate ourselves on the fact that, in spite of all the unfavourable developments which have since occurred, last year's rupee loan only stands about one point below the issue price. If it had not been for two unfavourable factors over which we had no control, I am certain that last year's loan would now be standing at a handsome premium.

105. What, then, are these factors? There has been, first, the wave of dear money which swept over the world culminating in a 6½ per cent. bank rate in England, which made it necessary to tighten money rates in India in order to protect our currency position. And, secondly, there has come upon us a new difficulty in the fall of our sterling securities due to the fears felt in London as to the future

political stability of India. I have already said that I believe these fears to be entirely unjustified, but their results are unfortunately realities which we have to face. Any fall in our sterling securities creates serious difficulties which must re-act on the local situation. Either of these two last factors would have upset the rupee security market quite apart from our own borrowing operations.

106. Honourable Members will ask: "What of the future?" And I must answer this question in relation to each of the three factors which I have mentioned. As to the first, our own demands on the market, I have already given a clear answer. We only expect to ask the public to give us about 7·4 crores of new money next year. If we had only to consider our domestic monetary conditions, I would say with confidence that our troubles were over and that we could anticipate a steadily rising market in our Government securities.

107. As to the second factor, the rates for money prevailing in the world, we can again look with confidence to the future. I need only say that, in my view, everything points to a period of cheaper money for some time to come.

108. As to the third factor, I am afraid I can speak with much less certainty. What we have to expect from the operation of this factor depends mainly upon the action of the leaders of public opinion in this country, as represented by Honourable Members of this Assembly and those outside. If there is clear evidence that such leaders are facing their responsibilities and are determined to oppose all revolutionary movements and to co-operate in a course of peaceful and orderly evolution, disclaiming those threats of unconstitutional action and repudiation of debt which we have so recently heard, then I am quite certain that the outside world will regain confidence in India and that we shall advance once more to our former high level of credit. But, if a contrary course is taken, then, it will be impossible to avoid unfavourable reactions on India's economic development. There must be a lack of that confidence which is so necessary to the initiation of new enterprises, and it is almost certain that a flow of capital from India will continue. Speaking on behalf of the Government, we have done all in our power to create a strong and healthy financial position, and I think what I have already said has demonstrated the effectiveness of our action in this direction. If the insidious lack of confidence continues to sap our foundations, we shall, as a Government, do our best to protect them and shall not hesitate to take strong financial measures for that purpose. But this will mean that our energies and resources will have to be devoted to defence rather than to constructive new enterprise and that the hopeful prospect of an all-round recovery, which would bring prosperity in so many directions and for which, so far as lies in our power, we have created all the necessary conditions, will be unattainable. The future in this respect lies in the hands of leaders of non-official opinion in India. The responsibility rests with them and not with the Government.

109. I do not propose to lengthen my present remarks by going into further detail now regarding figures of India's debt. Among the papers which will be circulated will be found a statement prepared in the same form as was introduced last year, with explanatory notes.

[Sir George Schuster.]

GENERAL REVIEW OF THE ECONOMIC SITUATION.

110. Before I conclude, I must make a few short observations on the general economic situation. I was taken to task, in the course of the budget debates last year, for devoting insufficient attention to the general position of the masses of the country; but I must point out that my main task in a budget speech is to explain particular financial proposals and it is impossible for me to cover the whole work of Government. Moreover, it must be remembered that the main field for work in nation-building services comes within the sphere of the Provincial Governments and I cannot roam at large over this field without exceeding my own functions. Nevertheless, the effect on the general well-being of the country must be at the root of all our financial policy and I think that, if my proposals this year are carefully and impartially studied, it will be found that this has been throughout their main purpose and intention. I am afraid the time is now short and my remarks on this part of the subject must be very brief. I have dealt recently with various aspects of the situation in a speech to the Federation of Indian Chambers and I trust that Honourable Members will do me the honour of reading this speech. It is very obvious at present that India is suffering from a general wave of depression. It is also obvious that, apart from this special depression, there is great room for improvement in the standard of living of the masses of the country and of general economic production. It is necessary to make a clear distinction between these two conditions. The first is temporary and not special to India. It is mainly produced by causes over which the Government have no control. The second is one which demands the constant and urgent attention of all the forces of society, public and private alike. As to the first, I hope, in the course of the debate, to have an opportunity more fully to express my views. I only wish to emphasise at present that I think that the depth of the depression is exaggerated in comparison with the very special period through which the country passed in the years 1924-25 and 1925-26. If we examine the trend of economic events in India since the end of the War, we find that the volume of imports and exports has, on the whole, shown a steady progression with two exceptional periods, first, as regards imports in 1920-21 and, secondly, as regards exports in 1924-25 and 1925-26. As regards prices, while the prices of imports have tended steadily to decline, those of exports, for various world causes, tended to rise during the period from 1921 to 1924. Since then, world prices for Indian imports and exports have steadily declined. The point of time at which the general rise in the prices of India's exports culminated coincided with an exceptional period for the volume of agricultural production, and this produced, in the two special years 1924-25 and 1925-26, to which I have referred, an exceptional peak of prosperity. Public opinion as to the course of Indian trade and general conditions, tends, I think, at present, to be framed too much with reference to this special period, and though I do not wish to minimise the effects of the present depression. I think that, if our view is cast back along a longer period of India's history, we shall find that the present conditions are not, in comparison, so black as they are sometimes painted and that the general economic course of the country has been one of steady advance. The cause of the continued fall in world prices for India's chief imports and exports since 1925-26 is somewhat obscure. It would appear to be world-wide, as, on the basis of 100 for 1926, the Index numbers of general prices in the United Kingdom, the United States and India are 92·2, 96·8 and 95·3 respectively for 1929. While a fall has thus taken place in all the three areas that for India lies between those for the United Kingdom and the United States. This world-wide fall in prices has been put down by some to general over-production, both of raw materials and industrial products, throughout the world. It is known that large scale mass production has been developing throughout the world during the last few years and that tropical and sub-tropical areas have extended their output of raw materials. There are others who would give, as a further reason for the general world-wide fall in prices, the insufficient production of gold for the general requirements of the world as a whole.

Wave of depression.

Fall in prices.

111. Unfortunately, the fall did not end with 1929. Conditions in America, to which I have already referred above, have led to a large recession in business activity all over the world. The immediate out-look is uncertain. Manufacturers and dealers are using up their stock of raw materials and refusing to enter into fresh commitments until they see how far this recession is likely to go. The result is that the fall in the prices of primary products, which was a feature of the year 1929, has been accelerated. India has been particularly hard hit by this world development. Since the 1st January the price of cotton has fallen by about 15 per cent. and the price of wheat by about 12 per cent. while the prices of other staple products such as jute and rice show no signs of recovery from the low level which they reached during the year 1929. It would be rash to attempt to say when the tide will turn, but there are signs in America that the trade recession will not be so severe as was anticipated, and it looks as if prices are now so low that the world will soon begin to take more interest in the products of India and be prepared to enter into commitments for the future. There is reason to hope, therefore, that a recovery from the present economic depression will not be long delayed.

The out-look.

112. Whatever the reasons for the fall and whatever the future prospects, it is clear that the condition of the agricultural classes of India must be seriously affected, and it may be that, in order to maintain their position, they have to part with an undue proportion of their own production. Measures of immediate relief are difficult, but the main lines of the policy which should be pursued seem clear. In the first place, and above everything, it is necessary to stimulate and improve the agricultural production of the country and, as a supplement to this, to put the poorer agricultural classes into a position in which they can retain a greater proportion of their own produce for their own subsistence. In the second place, it is desirable to encourage industrial development provided that this can be done in conjunction with, and as a supplement to, the agricultural life of the country. In the third place—and this is a minor matter but still one of very great importance—the whole country urgently needs the provision of better methods for the study of its own economic conditions than are at present available.

Lines of policy.

113. I venture to say that, if the significance of all the proposals to which I have referred in this speech, is examined, it will be found that steps are being taken in all these directions. I shall hope to enlarge

[Sir George Schuster.]

further on this subject in the later stages of the debate, and not encroach further upon the time available this evening.

Conclusion.

114. Before concluding, I should like to emphasise again what I regard as the main features of my budget proposals.

Main features of the budget.

First, all additional expenditure on normal increments and new services, including the large agricultural grants and such important new services as civil aviation, is being balanced by economies,—mainly on military expenditure.

Secondly, principles of financial soundness are being doubly reinforced. No financial weak spots are being left as regards debt redemption and the Cash Certificate liability, while I have provided for a margin of safety in case events next year prove unfavourable. We can thus face the most stringent scrutiny of financial critics with confidence.

Thirdly, we are making a substantial start towards a constructive economic policy and opening the way for beneficial expenditure. If the year proceeds without abnormal disturbances to trade or civil security, we shall have money at our disposal to increase our resources for these purposes, and having prepared these foundations, the Central Government next year ought to be in a position either to initiate important schemes themselves or to provide additional revenue for the Provincial Governments to give them the power for a more generous effort to this end.

Fourthly, although substantial new revenue is to be raised, the measures which I have proposed are so designed as to reduce restrictions on economic action and to lighten, rather than increase, the burden on the poorest classes. This is directly the case as regards the reduction of the rice export duty and of the import duty on kerosene, while all except one of the other measures ought to have indirect beneficial effects. I have, moreover, indicated various directions in which, with the normal proceeds of our new resources, I hope to remove certain hampering impediments to the business activities of the country.

Fifthly, we have, in our proposals affecting cotton, made a determined effort to remedy a special malady from which the industrial life of the country is suffering, and by restoring health to one important centre, to improve the general condition of the country.

Sixthly, we have made a determined effort, by a proper control of capital expenditure, to give a chance for recuperation of the country's credit, so that, with strength restored, a healthy growth, proportioned to our resources, may be once more resumed.

115. I would ask Honourable Members to give all these points impartial consideration and to read into my proposals their future promise no less than their present performance.

116. I may possibly be criticised for seeking to raise more revenue than appears to be immediately needed for actual outgoings, but I hope that what I have said will have convinced at least a majority of this Assembly, first, of the paramount importance of creating reserves to strengthen our resources and credit at this present critical juncture in India's history, and, secondly, for preparing the way for a more generous allocation, to the Provinces, of sources of revenue for nation-building services. It has often been said that the Reforms introduced after 1919 have failed to achieve their full effect owing to lack of adequate funds in the hands of the Provincial Governments. I am desirous of doing all in my power to prepare for better success in the next step.

117. Of one thing I feel certain—that, whether my particular proposals are popular or not, and whether or not they are open to criticism in detail, the main purpose which I have in mind is the right purpose, and that the future will prove the truth of this contention. A Finance Member has to suffer the slings and arrows of criticism for his immediate actions, and, perhaps in very rare cases, to receive some meed of praise if Providence brings good times in his tenure of office. But his own efforts should really be judged by their more lasting results, and I can hope with confidence that, if my present proposals are accepted, my successor, from whatever quarter he may come, will, in the future, look back to me with gratitude for having proposed these drastic measures at this stage. For the present, it is my purpose, as, I hope, it will also be that of this Assembly, to make clear to all concerned that, whatever political clouds may be hanging over us, or whatever political changes may be in store, it will ever be the determination of the Government of India to keep Indian finance firmly secured on an unshakeable foundation. (Applause.)

THE INDIAN FINANCE BILL.

The Honourable Sir George Schuster (Finance Member): Sir, I move for leave to introduce the Indian Finance Bill, 1930.

The motion was adopted.

The Honourable Sir George Schuster: Sir, I introduce the Bill.

THE COTTON TEXTILE INDUSTRY (PROTECTION) BILL.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I move for leave to introduce a Bill further to amend the Indian Tariff Act, 1894, and to amend the Indian Tariff (Cotton Yarn Amendment) Act, 1927.

Mr. K. V. Rangaswami Ayyangar (Madras: Landholders): Sir, we have not got the Bill before us.

Mr. President: It is not necessary. The question is:

"That leave be given to introduce a Bill further to amend the Indian Tariff Act, 1894, and to amend the Indian Tariff (Cotton Yarn Amendment) Act, 1927."

The motion was adopted.

The Honourable Sir George Rainy: Sir, I introduce the Bill.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 4th March, 1930.

LEGISLATIVE ASSEMBLY.

Tuesday, 4th March, 1930.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

MEMBERS SWORN:

Mr. Hattiangadi Shankar Rau, M.L.A. (Finance Department. Nominated Official); Rai Bahadur Satis Chandra Dutta, M.L.A. (Surma Valley *cum* Shillong: Non-Muhammadan); and Dr. R. D. Dalal, M.L.A. (Bombay: Nominated Non-Official).

THE GENERAL BUDGET—GENERAL DISCUSSION.

Mr. President: The House will now proceed with the General Discussion of the Budget.

Mian Mohammad Shah Nawaz (West Central Punjab: Muhammadan): Sir, the Budget of the ensuing year, which was presented by the Honourable Sir George Schuster on Friday last, in a very clear and frank manner, exhibits some very disappointing features. The net position is that the Government are faced with a deficit of 5 crores and 52 lakhs, which is sought to be wiped out by retrenchment in civil and military expenditure to the extent of one crore and 42 lakhs and by the imposition of fresh taxation to the extent of 4 crores and 10 lakhs. We are told by the Honourable the Finance Member that the present year has been a bad one, and the accounts of 1929-1930 would have shown a deficit of one crore and 56 lakhs, but for a special windfall which will bring to the Government of India exactly the same amount under the Treaty of Versailles. The ensuing year is certainly most discouraging, and the imposition of fresh taxation has caused considerable anxiety. At a time, Sir, when there is general trade depression throughout the world, when the purchasing capacity of the Indian people has seriously diminished, when the monsoons have failed in certain parts of the country, and at a time when floods and locusts have done great damage to the crops, economy and not additional taxation should have been the watch-word of the Honourable the Finance Member. Well, Sir, the outstanding feature of the Budget of 1930-31 is the imposition of fresh taxation on the poverty stricken people of India. The general increase in the cotton duties from 11 per cent. to 15 per cent. would certainly be welcomed, though not for any other reason, at least in the interest of the Bombay industries and possibly in the interest of the hand loom industry. But I venture to submit that a further 5 per cent. protective duty on non-British goods should

[Mian Mohammad Shah Nawaz.]

be opposed on the principle that it endorses Imperial Preference as a principle. The Honourable the Finance Member has been careful to inform us that neither the Government of India, nor the Assembly is committed to Imperial Preference as a principle, but the fact remains that liberty has been taken to introduce Imperial Preference as a principle, and on this account, the Indians have no other alternative but to oppose this item unless and until India can get all the reciprocal advantages and facilities from England and other Dominions to what it gives them, she can not willingly agree to any scheme of Imperial Preference.

The increased excise duty on kerosene oil, which it is hoped will bring 35 lakhs, and the import duty on sugar, which it is hoped will yield one crore and 80 lakhs, would certainly hit the poor and the middle classes. This item is also very regrettable and probably the non-official Members will vote against it. The rate in the increase of income-tax and the super-tax should be opposed by everybody, and it should be scrapped from the Finance Bill. Lastly, Sir, there is the re-introduction of the import duty of four annas per ounce, on silver, which in my humble opinion will hit the poor very much. The device adopted by the Honourable the Finance Member is very unfair to the poor of this country. The peasants of this country, and particularly the poor classes, purchase silver and they will have to pay, not the world market prices, but a considerably higher price, artificially created by the duty on silver.

Well, Sir, we are told that the present deficit is due to the general trade depression, is due to the unrest in this country and elsewhere, and that the Honourable the Finance Member is compelled to resort to additional taxation. But the question remains whether India or the Indian people are capable of paying the fresh revenues; whether they have the capacity to pay. In my humble judgment, the Indians have no such capacity to pay, and the additional taxation, except probably one tax, the increased duty on cotton, is uncalled for.

Now, Sir, the hard facts of the situation are these. A great section of the people utterly dislikes the present system of Government. They think that the present system is an evil, and they threaten to launch a campaign of civil disobedience, a campaign of non-payment of taxes. On the other hand the Honourable the Finance Member says that the Government mean to impose additional taxation. Hence there are two fires,—the fire of non-payment of taxes and the fire of imposition of fresh taxation. Between these two fires, the position of those who occupy a central position has become very difficult indeed. Between these two fires, I venture to submit, the best interests of India will suffer. I agree, Sir, with the Honourable the Finance Member when he says that the Indian leaders must oppose all threats of constitutional action and disclaim the repudiation of debts, and they should help Government in the maintenance of law and order. So far as the Moderates are concerned, they will help the Government. But, Sir, I do not agree with him at all when he says that the future lies in the hands of the leaders of non-official opinion, and they alone are responsible and not the Government. I say emphatically that Government are also responsible for the present unhappy state of things in this country. The clear duty of the Government is to see that the Indian people are happy, contented and prosperous. Is it not a fact that, despite the fact that the British people

have brought peace to this country, the present system of Government is defective? Is it not a fact that the Indian people have to pay a crushing figure of 55 crores,—now reduced to 54 crores and 20 lakhs,—for the maintenance of the Army? And it is a great shame, and as great a disgrace as can befall a nation that the Indians are not trained to lead their own regiments. Indians still believe that the military expenditure can be reduced, at least by one or two crores. But we are told by the Honourable the Finance Member that no substantial reduction can be made. That is very regrettable. In my humble judgment, the Honourable the Finance Member should have told the heads of the Department to adopt a system of rationing the Department, that is to say, he should have told them that their expenditure should be reduced by a certain percentage, and it would then be seen that a lot of retrenchment can be made in the military expenditure and in other services. Sir, I submit that Government either do not understand the Indian distemper or have not got the courage to administer healing remedies to the disease of unrest. That remedy lies with Government. I say this, and I say it plainly, that if the British nation, through her Parliament, is not prepared to grant immediate provincial autonomy and at least fix a minimum time limit, for the attainment of complete Dominion Status, there can be no peace in this country. My own conviction is that the Honourable the Finance Member should have waited for the result of the Simon Report and the result of the Round Table Conference; and if the result had been favourable, he could have come to this House and said, "Now the responsibility is very much yours and you had better place your financial position on an unshakable foundation". I venture to submit that at the present juncture, our esteemed and able friend was not well advised to bring forward a scheme of additional taxation.

The worst part of the Budget is that the Honourable the Finance Member makes no promise—none whatever. He does not say that the present imposition of taxation is a temporary one or is on a permanent basis. Probably he means that this should be a permanent taxation. If he had come forward with a proposal that the additional taxation to the extent of 4 crores and 10 lakhs was simply meant for such purposes as agricultural development or the introduction of primary compulsory education in the provinces, it might have been possible for some of us to vote with him; but he does not say anything of the kind. He simply says that, as Finance Member, he is bound to balance the Budget, and that is all. I submit that, whatever the difficulties of the Finance Member may be, he has to face the difficulties created in this country. The Finance Member really should have made a supreme effort to retrench expenditure which in my humble judgment he has not done. I say, Sir, that although the Budget has been presented in a very frank manner, it is certainly very disappointing in many respects, and the Finance Member will have a very hard task to see that the major portion of additional taxation is voted by the Assembly. He should expect the House to vote for all fresh revenues.

Sir, I have to say something about the military policy and the military expenditure. I have already said that it is a great shame that Indians, except an inadequate and limited number, are not permitted to get admission into the King's Commission. I really do not know why Government are not accelerating the pace of Indianisation of the Army. There

[Mian Mohammad Shah Nawaz.]

may be a risk from the British point of view, but the risk must be taken in the interest of this country. Do they mean to say that they do not trust the Indians? So far as I am concerned, and I am perfectly certain that many Indians are of this opinion, if there is any upheaval in Afghanistan or Turkestan or Russia, with a view to attack India, my country, all Indians will be united in defending their own country and the Empire. I am perfectly certain that, although I am now 50 years of age, a soldier's death would be the best thing for me. I do not know why the Britishers are distrusting the Indians,—I cannot understand that. Are they distrusting the Indians because they think that there is going to be an upheaval in this country? I think not, I think that India's heart is quite sound and that of Great Britain may be sound. We are only adopting our own ways of meeting the situation. We school our manners, act our parts, but we know that our dispositions are quite gentle, tranquil and true. The British Government must know that, after all, if the Indians are trained to command their own regiments, and if the Indian Army is Indianised, it will be immensely better in the interests of Great Britain and of India. I have, Sir, a great complaint to make about this question of the Indianisation of the Army. In my humble opinion the recommendations of the Sandhurst Committee should have been accepted by the Government without any reservation whatever. (Hear, hear.) If those recommendations are not accepted, the talk about the grant of Dominion Status is all humbug. (Hear, hear.) I cannot understand at all that Dominion Status can be granted, or even promised, if the British Government are not prepared to Indianise the Army. I cannot understand why the people of this country are not allowed into the superior ranks in the Army. Without the Indianisation of the Army, the talk of Dominion Status would be absurd, and this is the first step which the British Government should take to show their good faith and that they are prepared to grant Dominion Status to the people of this country as quickly as possible and at any rate within a short time-limit. The Indian opinion is unanimous on the point that the attainment of Dominion Status cannot be deferred for long. I say these are the healing remedies to the disease of unrest. Indians are quite prepared to place the Indian finance on an unshakable foundation. But it is the clear duty of the Government to see that the legitimate desires and aspirations of the Indian people are fulfilled without further delay. The real root cause of present unrest is that the Indians are dissatisfied with the present system of Government and they want that it should be changed, and changed root and branch. If the Government are prepared to do that, the Indian people are prepared to help the Government to their utmost capacity, and I am perfectly certain that the Moderates and all right-minded Indians are prepared to nip in the bud the Independence movement and the movement of civil disobedience provided also that the Government play their own part well and give helpful promises to the Indian people. Without those the financial position will remain more or less unstable. If the British people fulfil their own part of the obligation, everything will be all right. I concede that the Britishers have brought peace to this country. I concede that the Civil Service is a very efficient service. I grant that you have brought prosperity, by Posts, Telegraphs, Railways, and large irrigation schemes. But at the same time, it cannot be denied that it is not a

Government of the people. It has many defects, which I have already pointed out, and those defects must be remedied and the remedy lies in the hands of the Britishers. In the matter of the Indianization of the Army, delay has given rise to bitter unbelief. I have, Sir, expressed these thoughts as they have come; I have expressed these thoughts with perfect frankness. They may not be liked by some people, but I have done my duty. I request the Government to consider them seriously. (Applause from Non-official Benches.)

Sir Hugh Cocke (Bombay: European): Sir, I was very interested in the remarks of the Honourable Member who has just sat down, but I thought the tributes he paid at the close of his speech were a little difficult to reconcile with some of his earlier remarks. But at any rate, he referred to his belief that leaders would, under certain circumstances, be only too anxious to nip in the bud any attempt at civil disobedience in this country, and I am quite sure that everybody in this House realises that if that is nipped in the bud, and if we have a peaceful year, it will be reflected very much in the figures with which we shall be presented a year hence. Sir, when we have got to consider large additional taxation, I think it is perhaps desirable that one should look some years back in order to ascertain some of the reasons for that additional taxation, and I have been studying Appendix I of the Financial Secretary's Memorandum to look into the figures not merely of this year and the Budget for next year and those of the previous completed year, but to make a comparison between the first of the years given in Appendix I, namely 1923-24, and the budget estimate for 1930-31. A study of those figures, I think, gives very substantial reasons why today we are faced with a deficit of four crores or so, requiring additional taxation.

Turning to the main items, it will be noticed under Customs, our revenue—it is our biggest head of revenue—has increased roughly from 39 crores to 52½ crores in that period of seven years, that is by 13½ crores, a very substantial increase. But taking the next item, Taxes on Income, our figures have remained stationary. As a matter of fact, the figure for the first year and the budget estimate of next year both show over 17 crores, but in none of the other years is the figure over 17 crores. Actually our figure for 1930-31 is 39 lakhs less than the income revenue for 1923-24, so that under that head there has been no progress at all. Under Salt, we are 3 crores down for that period. Our revenue in 1923-24 was roughly 8½ crores and it is now 5 crores and 71 lakhs, a drop of approximately 3 crores. In Opium, we are slightly up by 40 lakhs, which is rather extraordinary of course in view of the fact that we are reducing our revenue from Opium. But it just happens that the 1923-24 figure is particularly low. In the matter of "Other principal heads", our revenue is down by 50 lakhs, and then we come to the chief item of all in connection with the decrease of revenue, of the Central Government, and that is the Provincial contributions. In 1923-24, our revenue was nearly 9 crores, and today it is nothing at all. In Railways we are 70 lakhs down compared with 1923-24. In total revenue we merely show an increase of 1½ crores in those seven years.

Turning to the expenditure side, we find it mainly increased. Irrigation has gone up by 5 lakhs; Debt Services, 19 lakhs; Civil Administration, 3½ crores; Civil Works, 14 lakhs; Miscellaneous Expenditure on the other hand is a little down. In Posts and Telegraphs, we have increased our net expenditure by practically 1½ crores, because in 1923-24 we had a surplus of 71 lakhs and today we have a deficit of 71 lakhs. Military expenditure

[Sir Hugh Cocke.]

shows a reduction of nearly 2 crores, and the total expenditure shows an increased expenditure of 3¼ crores. In other words, our revenue in the past seven years has been going up at the rate of 20 lakhs a year approximately, and our expenditure has been going up at the rate of about 50 lakhs a year, but if provincial contributions are excluded, our revenue has increased from 76 crores 80 lakhs to 87 crores 21 lakhs, an increase of 10 crores 41 lakhs. That revenue increase was necessary to balance the provincial contributions which were cancelled, so that I think having regard to one increased expenditure, we have got to face the fact, as the Honourable the Finance Member said in his speech, that we have *not* made up the gap that occurred as the result of the elimination of the provincial contributions, and really we are imposing fresh taxes in the Central Government today to make up for those provincial contributions, or in other words, to provide for expenditure which the provinces have at last been able to meet but which they could not meet as long as they had to contribute to the Central Government—expenditure which we hope is in the nature of nation-building expenditure such as education, sanitation, etc. Therefore, if we take a broad view with reference to the new taxation, we have to realise that, in the main, it is being put on to benefit the provinces in contrast to the position when the Central Government received a substantial revenue from the provinces.

It is distinctly disappointing of course that the Post Office, as a commercial department, shows no progress, but very much the reverse, the main reason being, I think, the increase of pay of the postal servants, which I think no one regrets. But I noticed the other day that the Post Office in the United Kingdom shows very remarkable figures. The commercial profit there is £9 million. This figure is arrived at after charging interest on capital and meeting a deficit on the Telegraph service of three quarters of a million sterling. It is pointed out that, if the postal rates were reduced from 1½*d.* to one penny, it would cost the Post Office a revenue of anything between £5 and £7¼ millions sterling, but even if that change took place, there would still be a profit of about £2 millions for the State. Well, in India, we have to carry our letters further and we do not carry so many of them, and we are faced with the fact today that the Central revenues are actually contributing to the Post Office about Rs. 70 lakhs in the current year, namely, in 1929-30 Rs. 73 lakhs; in the coming year's estimates nearly Rs. 72 lakhs.

Another important factor, of course, which the Honourable the Finance Member has had to face, and which is an additional reason for the increase in taxation which is proposed, is the fact that he has to face facts in connection with the accumulated interest on Postal Cash Certificates. That obligation has been increasing year after year. Sir Basil Blackett was attacked, I think, because he made no proper provision for that. His reply was that he was merely following the course followed in the United Kingdom. Whether that course is still followed in the United Kingdom I do not know, but certainly up to that time he was merely following the same course that was followed in the United Kingdom in connection with the National Savings Certificates. Since then, the interest obligation has been mounting up year after year. I think nearly ten years have nearly elapsed since Postal Certificates were first on sale, and therefore we have got an accumulated interest obligation of 10 years on many of these Postal Cash Certificates, which were sold at Rs. 7/4 or thereabouts and are to be redeemed at about Rs. 13 after 10 years.

It is interesting to note, I think, as pointed out in the Honourable Member's speech, that the sum required for the reduction and avoidance of debt has risen materially since 1923-24. The amount has risen from Rs. 3 crores and 62 lakhs to Rs. 6 crores. The convention which was established six years ago now has run its time, and is to be reconsidered, as pointed out in the Honourable Member's speech. I hope that, in the reconsideration of that problem, no material reduction will be made in the amount which is provided annually, because I believe sound principles in connection with a country's sinking fund are very essential, and they react on the rate of interest at which one can borrow. Sound finance obviously means a cheaper rate of interest on the money that one borrows.

Coming to the question of income-tax, I am not prepared to oppose the increases which have been made. One regrets perhaps that it has been necessary to depart from the round figure of one and a half annas and propose one anna and seven pies. That perhaps is more or less a sentimental objection. I find that for a man with an income of a lakh of rupees, if my calculations are correct, the additional taxation he has got to pay is Rs. 781, *i.e.*, he now pays in income-tax and super-tax, Rs. 14,062 and he will be called on to pay Rs. 14,843 so that the increase is very small and is not one which I think should be attacked. As regards the other increases of taxation, I for one see no material objection to any one of them, because it seems to me they do not impose a very serious burden on any consumer. If any Honourable Member could show me that the contrary is the case, I should be prepared to reconsider my view, but the taxes on kerosene and sugar and the cotton import duty appear only to impose a very moderate burden on the consumer. I think we have got to pay the bill because it is very essential that the deficit should be met. I regret that there was no promise in the Honourable Member's speech about any reconsideration of the companies' super-tax, because such a tax in the name of a corporation profits tax was removed in England many years ago now, as it was only imposed as a war measure, but here we have still got the companies' super-tax, which is strongly objected to in business circles on the ground that it amounts to double taxation. It is, however, satisfactory to note that business losses will be brought into account in future, and the Finance Member has also promised to reconsider the question of double super-tax on companies, particularly in connection with holding companies.

Sir, reviewing the whole Budget, it seems to me that, although it must excite considerable criticism when a large additional amount is required from the country in taxation, one has got to consider the matter as a whole. One thing we have to remember in particular is that, to some extent, this new taxation is required to meet the increased pay and contentment of the working classes. Whether it is in the Postal Budget, or in the Railway Budget, or in the Central Budget, I think if the calculation were made, it would be found that the additional amount paid to labour in the last few years amounts to a very heavy sum indeed, and therefore in essence we are taxing the country today additionally for kerosene, sugar and so on to meet the increases which have been given to labour in this country in the last few years. No one regrets those increases, because most of us believe they were necessary, and probably still further increases may be necessary to adjust matters between different sections of labour. But, in order to meet that bill, we have got to broaden the basis of our taxation, and it seems to me that none of the proposed taxes really hit any one branch of the community severely or harshly, and if I am right in that conclusion, I think the House might well accept this Budget.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, while thankful to the Honourable the Finance Member for his very careful exposition of the financial position of the Government, we can hardly congratulate him for the very distressing statement he has presented before us. The frank confession of a deficit budget, with a careful review of the causes in detail, and a genuine and sincere desire to meet the deficit with as little hardship upon the taxpayer as possible, discloses the utter helplessness of a great financier under the present system of Government. While appreciating the limitation of the Honourable the Finance Member, to give any relief to the Indian taxpayer, I shall be failing in my duty if I merely criticise the figures from the standpoint of an economist, overlooking the larger problem from the standpoint of a statesman. I wish the Honourable the Finance Member had been bold enough to take his stand upon a higher pedestal than that of a mere financier registering the decrees of an irresponsible bureaucracy. He has taken the demand of the Executive Government as a matter of course and has prepared the Budget on the basis of that demand. Sir, the budget of a government is not merely an official statement of the revenue and expenditure, but also a measure of the devotion of the rulers to the interests of the ruled; and in the few observations that I am going to make, I shall keep that point in view, leaving canons of finance to be discussed by those who are more competent to deal with the same.

Sir, I am painfully aware of our helplessness in the matter, but we have to declare from our place in this Assembly, as representatives of the people, that we neither approve of the imposition of new taxes, nor do we acquiesce in the increase of expenditure, more than half of which is non-votable. To have to discuss a Budget without being allowed to exercise our vote, is depriving us of an effective weapon of control, which no responsible government can dream of. Yet that is our lot in respect of the military expenditure and other demands which are non-votable. Ordinarily, one is expected to incur expenditure according to his income, instead of spending with a view to supplement the deficit by loan or robbery. Yet the latter is the course that is being adopted in the case of the Indian Budget, as a result of which, not only our debts have increased by leaps and bounds, but it has imposed heavy burdens upon the poor peasants by robbing them of the barest necessities of life. If the Finance Member had tried to cut his coat according to his cloth, India's budget, far from showing a deficit, would have shown a clear surplus. Instead of asking for further taxation, he would have been in the enviable position of relieving the poor Indian taxpayer of some of the crushing burdens of taxation. Sir, India is mainly an agricultural country and no Finance Member who cares for the well being of the teeming millions working in the fields would place any unjustifiable burdens upon them. The Finance Member himself admits that the export duty on rice, at its present level, is a burden on the economic life of the country, and further reductions may become desirable, yet he has dismissed a question of such vital importance by saying that rice exports have been considerably more encouraging. I am very much surprised that the Honourable the Finance Member should make such an irresponsible statement from his position in this House. I would like to invite him to witness the miserable condition of the ill-fed and half-clad tillers of the soil in the villages, who have been reduced to the verge of starvation, not only because of bad monsoons, but also because of the financial policy of the Government. The abnormally low price of paddy in Bengal has been

such this year that the peasants have been obliged to part with almost the whole of the produce of the year to pay rent and taxes, leaving very little to feed themselves for the next eight months, before they can grow another crop. This is a serious state of affairs, which no Government having the least concern for the welfare of the agricultural population can ignore. Your Agricultural Commissions and policy of development of agricultural research will not avail them, unless you see your way to devise means of leaving sufficient grain for the consumption of those who produce it, and I ask the Government, with all the emphasis that I can command, to take up the question for solution, without delay, if they are really sincere in their professions of sympathy for the masses.

The Honourable the Finance Member has said that it is essential that, at this transitional stage of the constitution, there should be full confidence, wherever possible, between the Government and the Legislature, and I therefore invite the serious attention of the Government to this dark spot of their financial policy. The inevitable struggle between capital and labour is the outcome of industrialisation, which has not brought peace anywhere in the world; and he must be a very bold man, who can state that the problem will be solved by the Royal Commission on Labour. The real solution lies in de-urbanisation and allowing the villages to flourish amidst the peaceful and happy surroundings of agricultural pursuits, and not in the slumlife of towns.

As regards the appeal of the British Government for Imperial Preference, although the Finance Member does not ask us to commit ourselves to its principle, he has curiously enough asked us to adopt it in India's interests at a critical juncture. In spite of his assurance, we must inform him that Indian opinion will refuse to accept Imperial Preference in any shape or form.

I began by saying that the Government ought to keep in view its income while framing the programme of expenditure, and should never allow itself to frame a budget in the hope of raising a loan or imposing taxes. But unfortunately this canon of sound finance does not appeal to the Government of India, who may ask how they are to carry on the administration of this vast country with the amount that is available, without incurring loans and imposing new taxes. My reply is in two words—reduce expenditure. If you yet ask what expenditure can be reduced, I shall point to the military expenditure and high salaries of civil officers. If you had brought down your military expenditure to at least fifty crores, as prescribed by the Retrenchment Committee, you could have avoided the deficit budget, but you do not reduce the military expenditure on the plea of enabling the Army to carry on their plan of re-equipment, and only show a little decrease by spreading the programme of re-equipment over three years instead of two years, which is thus no real reduction.

The Brussels Conference has laid it down, with the full concurrence of the Government of India and the representatives of the India Office, that the military expenditure of a country should in no case exceed one-fifth of the revenues. I ask you to accept this standard and reduce your military expenditure. This can be easily done by Indianising the Army at once, which will serve the purpose for which the Army is maintained, according to the Report of the Army Commission of 1879, *viz.*, (1) preventing and repelling attacks or threatened aggressions from foreign enemies beyond our border, (2) making successful armed disturbance or rebellion, whether in British India or feudatory states, impossible, and (3)

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watching and overawing the armies of feudatory native states. But overlooking those weighty observations of the Army Commission, the Indian Army is retained for the maintenance of balance of power, not only in Asia, but in the whole world. The present Premier of England, Mr. Ramsay MacDonald in his book "The Government of India" has said:

"A large part of the army in India, certainly one-half, is an Imperial Army, which England requires for other than purely Indian purposes, and its cost therefore should be met from Imperial and not Indian funds."

The North West Frontier from the Pamirs to the sea is the most important land frontier of the British Empire, and its defence and maintenance should not be saddled upon the Indian taxpayer alone; we can justly claim to be freed from at least a major portion of this burden, and I commend this to the very serious consideration of the Government of India and the Home Government. The Esher Committee has laid down that, so far as the question of Imperial defence is concerned, the military policy of the Government of India must be in consonance with the military policy of Imperial defence, and in this view, are we not entitled to demand that the Imperial Government should also share the burden with us?

Besides, Sir, if you eliminate the British element to the extent of at least half of its present strength, and replace them by Indians, you can reduce the expenditure by more than five crores, for it has been pointed out by the Inchcape Committee that the cost of an Indian soldier is Rs. 631 per annum, while that of the British soldier is Rs. 2,503 per annum. But then it will be argued that the British soldier has got greater military qualities than the Indian soldier. (*An Honourable Member*: "Question.") That argument is belied by history. The Rajputs, Sikhs and the Mahrattas, as also the Gurkhas and Pathans, make as good soldiers, if not better, if they are given the necessary training.

It is said that the ideal which is kept in view about military expenditure is an Army in India, not larger than is essential in India's interests, adequately equipped and fully trained, so that India might obtain the maximum service from a fully efficient force at the minimum cost. If I ask His Excellency the Commander-in-Chief, whom I do not see here, whether the above ideal has any place in the military policy of the Government of India, His Excellency's answer is bound to be in the negative in view of the facts stated above.

As for the expenditure on civil administration, I am not aware of any other country in the world where its officers are so highly paid compared with the average income of the masses of the people. In a poor country like India, Rs. 1,000 per month should be the maximum salary, and the best intellects will always be available, when we find the flowers of Indian Universities serving at even a less salary than that. The gentlemen on the Treasury Benches, who would not like to be there on this salary, may make room for patriotic Indians, to whom salary will be of no consideration. (Laughter.) At the present moment you have at least one such patriotic Indian in the person of the Honourable the Law Member, whom I do not see here, who has sacrificed a princely income at the Bar in the prime of life to serve his country according to his lights, and I can assure you that there are many who will be willing to accept much less for the sake of service to their motherland. In this way, if you reduce

the high salaries all round, you will be able, not only to avoid a deficit, but will be able also to reduce greatly the burdens of taxation. Sir, year in and year out, we have been pressing for a reduction of high salaries, but the Government have not thought fit even to consider this aspect of the question . . . . .

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): How can you compensate for the five crores?

Mr. Amar Nath Dutt: They can compensate for it by replacing half of the British element in the Army by Indians. And the reason for not considering the question of reduction of expenditure is obvious for you want employment for men for whom England cannot provide, and through them you want to carry on the exploitation of this country by having a market for your goods, which you cannot sell elsewhere, and by getting cheap raw materials for your factories. So long as India can be treated as the milch-cow of the Empire, there is hardly any hope of reduction of expenditure or taxes.

The Honourable the Finance Member has a fling at us for what he considers to be an insistent pressure for increased expenditure on particular projects, such as improvement of conditions of service, education, hospitals and sanitary arrangements, agricultural endowment, police, roads, etc., while admitting a general demand for retrenchment and economy. He forgets that, while we ask for improvement of conditions of service, we do not ask for luxurious saloons for their travelling or overseas allowances in addition to high salaries. What we ask for is that the ill-paid Indians should get such remuneration as will enable them to feed the mouths and clothe the bodies of those that are dependent upon them, and a fulfilment of this demand would bear but a very insignificant proportion to what is spent for the advancement of the members of the superior services. I regret, Sir, that this should be made an excuse for increased expenditure without really doing anything substantial for the mitigation of the sufferings of the ill-paid members of the subordinate services.

As for demands for expenditure on education, hospitals, sanitary arrangements, agricultural endowments, etc., you have done nothing save and except the creation of some high posts which benefit none except the fortunate recipients of these posts. The only solution for the reduction of expenditure lies in bringing down high salaries of civil and military officers and formulating a scale of salary on the basis of the average standard of living of the Indians, and if the foreigners wish to serve in India, they should be asked to accept that standard.

But, Sir, I forget that the central fact round the Budget is the powerlessness of this House to assert itself, for we are painfully aware of the exercise of autocratic powers for the restoration of the budget cuts and certification of taxation Bills. We have been asked to exercise a calm and judicial spirit in pronouncing our judgment, for the times are not ordinary, as within a few months the representatives of India will meet the representatives of Great Britain to discuss, in the fullest and frankest way, the future of this great country, and much will depend on the spirit in which they meet. Sir, we are prepared to meet, in all humility, the representatives of Great Britain if they are prepared to listen to the doleful tale of foreign exploitation of this ancient country under their rule and would agree to a constitution for the future Government of India which will make the Indians the arbiters of their own destiny to enable them to march forward towards peace and prosperity, as she did, in days

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of yore. Sir, while on this subject I may be permitted to point out that delay in this matter has been the cause of the attitude of some political leaders to which the Honourable the Finance Member has referred in his speech, and further delay in announcing the personnel and time of the Conference may stand in the way of peaceful and orderly evolution, responsibility for which, according to the Finance Member, rests with the leaders of public opinion as represented in the Assembly and outside. I do not agree with the view that the responsibility rests solely on our shoulders. The responsibility lies equally with the Government, and in order to create an atmosphere of perfect peace and goodwill, there should be a general amnesty to all political prisoners and withdrawal of all pending political cases. However much you may disapprove of the methods of those that have been convicted, you cannot deny that they were actuated by the highest motive for the amelioration of the condition of their countrymen by the establishment of Swaraj, to which you are pledged by the solemn declaration of your Sovereign and the British Parliament. I ask not for a temporary suspension of differences, but for a complete eradication of the seeds of mutual distrust and the establishment of goodwill between England and India, whose course of historical evolution and destiny has been mixed up by an all-wise Providence.

The goal lies through rocks precipitous but not insurmountable, leading to the summit of Sumeru, where rests the golden star of Swaraj, and if you help us in attaining it, it will be one of the proudest days in the annals of England, as was prophesied by a great Englishman nearly a century ago.

I can do no better than conclude with the hope contained in the lines of a great Bengali poet, Nobin Chandra Sen:

Sanmukhey Ajnata Sindhu,
Vasey Krishnapadatari
Ei tiray Sandhya
Usha Anyatirey mugdhakari

"Though before us, the unknown ocean lieth,
We shall steer with divine faith
Through the darkness of night
To a glorious morning light."

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Mr. President, though there was a tone of subdued optimism in the speech of the Honourable the Finance Member last year, he was not unconscious of the anxious times that were ahead of him; but the feeling of optimism prevailed in the whole of his speech, because summing up our general financial position he then said, "I think one is justified in feeling confident as to the future". While that was the feeling of the Honourable the Finance Member, the general financial situation of the country was viewed with mixed feelings on this side of the House. While some felt cause for disappointment, others were very anxious about our financial future, and in my speech last year I ventured to state this:

"I do not want to concentrate upon the bad patches in the financial situation of the country. Even without concentrating one's attention on the bad patches alone, I must be excused if I venture to remark that, if there is no cause for alarm, there is cause for anxiety, and certainly no cause for jubliation."

Sir, subsequent events have proved that we had sufficient cause to feel anxious. But it must, in fairness, be said to the Finance Member that, in spite of his feeling of optimism, even in his last Financial Statement he disguised none of the difficulties, and exaggerated none of the favourable features. But, Sir, after the lapse of one year, we see that the difficulties that he anticipated have proved to be of a more permanent character and that the favourable features of the Budget have proved to be temporary.

In considering the Financial Statement for the coming year, I must congratulate the Honourable Member for the very vivid picture that he has given of the financial situation. He has attempted to give us a very full picture in which he has presented, in very clear and unambiguous terms, the difficulties that lie ahead of us. Looking back on the last two or three years, we find that the gap between revenue and expenditure, which many of us thought was probably temporary and might be bridged over, has proved permanent and is growing wider. Sir, what has been the revenue and expenditure position for the last three years? In 1927-28, the anticipated deficit of 168 lakhs has proved to be an actual deficit of 221 lakhs. In 1928-29 an anticipated surplus of 29 lakhs has turned out to be a deficit of 105 lakhs. In 1929-30, the budget deficit of 90 lakhs has turned out to be a revised expectation of a deficit of 410 lakhs. The gap during the last three years has therefore been about 736 lakhs; and this gap has been made good from three sources. 295 lakhs of the Revenue Reserve Fund has been utilised. 289 lakhs, representing abnormal revenue receipts in the current year, have come to the help of the Finance Member, and 156 lakhs of the German liquidation fund have been taken to balance the Budget. But to appreciate the true position for the last three years, you must not forget the fact that, in addition to these three sources, we have utilised 7¼ crores of the uncovered liability in the Post Office Cash Certificates. Assuming that the abnormal revenue receipts are legitimate revenue receipts, and that the entire Revenue Reserve Fund was the result of revenue surplus, the fact still remains that 156 lakhs of the German liquidation fund and the 7¼ crores of accrued liability in the Cash Certificates have been utilised to balance the Budget. The real deficit therefore has been over 881 lakhs, leaving aside the revenue surpluses. The Revenue Reserve Fund, which the Honourable Member's predecessor set apart for an entirely different purpose, has been utilised to balance the Budget. The receipts from the German liquidation fund, which, according to sound canons of finance, about which we are reminded often by the Treasury Benches, should have gone to the Sinking Fund, have been utilised to balance the Budget, and the accrued liability of the Post Office Cash Certificates has now been added to our permanent debt. The whole situation then comes to this, that we have lived on borrowed capital and extraneous windfalls during the last three years. When the financial position of the last three years is reviewed from this point of view, Honourable Members will realise that the gratification that we all felt over the extinction of the provincial contributions must be tempered by the true state of affairs which has been disclosed since then. The Financial Relations Committee, which fixed the measure of provincial contributions, expected that the help from the provinces was meant to tide over the temporary difficulties of the Central Government, but, Sir, subsequent events have proved that those expectations have failed, and the temporary difficulties of the Government of India have proved to be more of a permanent character.

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Even in his last year's Financial Statement, the Honourable Member had warned us to be prepared for fresh taxation, if necessary. He said:

"But I wish to leave Honourable Members in no misapprehension on this matter. If additional taxation proves to be necessary in the following year, the need will have to be boldly faced."

He has now told us that the need has arisen, and he has attempted to face the need boldly from his point of view. In asking us to be prepared for fresh taxation in the coming year, the Honourable Member gave us what he considered to be proper rules of conduct for his guidance in this matter. He said that, before resorting to fresh taxation, he must be convinced that revenue will not expand any further, that he must be convinced again that expenditure is now at a level beyond which it cannot be curtailed, and thirdly he wanted time to study what will be the avenues of useful and the least harmful taxation. So far as the expenditure side is concerned, I am afraid I cannot agree with the Honourable Member's conclusion in this matter. His position comes to this, that the Government of India have now reached a stage when it is not possible to curtail expenditure any further. The utmost that they can do is to see that if there is any increase in expenditure, it will be counterbalanced by a corresponding retrenchment in the various departments. It will serve no useful purpose for me to say in what respects expenditure may still be curtailed. I will be driven to the inevitable Military Budget and various items of expenditure in the Civil Budget. But our experience has shown that it is absolutely of no avail to give any suggestions in these matters. So far as his estimate of the revenue side is concerned, I entirely agree with him. We have now reached a stage when the normal expansion in the growth of our revenue has come to a standstill. That is the estimate that the Honourable Member himself makes of our financial position, and I entirely agree with him. This only shows that the fears that we on this side entertained for the last four or five years have been justified. We have very often said that the industries of this country have been crippled, and that the purchasing power of the masses has been reduced; but we have been told that we are weeping like Jeremiahs when there is no cause for it. Sir Basil Blackett was of opinion that we were taking an unduly pessimistic view of the whole situation. But if the Honourable Member himself has been forced to the conclusion, that the normal growth of the revenue has come to a standstill, it only proves that the fears that we entertained have been justified by subsequent events. My Honourable friend has attributed this state of affairs to world causes. Certainly world causes have operated in bringing about a depression in which we also have to take our share. Added to these world causes, the artificial appreciation of currency which was brought about in the teeth of non-official opposition has accentuated the whole situation. The appreciation of the currency and its effect has been further accentuated by a steady fall in world prices. When the Currency Bill was discussed, I pointed out from the index figures of the United States that there was a gradual fall in the gold prices of the world, and that an appreciation of our currency at such a period will accentuate our difficulties. Sir Basil Blackett challenged my statement at that time. He relied upon the policy of the Federal Reserve Bank to keep the prices of the world at a certain level, and he was of opinion that there was no cause to apprehend a further fall. But the index figures that my Honourable friend has given in his financial statement have now proved that our contention was correct. As a result of all these various factors, some of which are unavoidable and some of which, in our opinion, could have been avoided, we are now faced with a deficit budget, a deficit which, according to the calculation of the Honourable the Finance Member, is a permanent deficit and must be provided for.

Sir, at this stage of the discussion, I do not propose to examine in detail the merits of the various proposals that the Honourable Member has made for fresh taxation. These I propose to reserve for the time when the Finance and the Tariff (Amendment) Bills are taken up for consideration. But on this occasion I would like to make only one or two general observations.

My attention is naturally drawn to the duty on cotton piece-goods in the first instance. In so far as the Government of India have responded to the repeated call of the cotton textile industry for a measure of protection, the proposals are certainly welcome. But unfortunately the situation has been complicated by the introduction of Imperial Preference. While talking of Imperial Preference, it is difficult to avoid a certain amount of prejudice and to escape from pre-conceived notions. Sir, I might state my view of the situation at the outset and it is simply this. I do not object to Imperial Preference simply because it is Imperial Preference.

Mr. B. Das (Orissa Division: Non-Muhammadan): Since when have you changed your mind?

Mr. R. K. Shanmukham Chetty: Nor am I prepared to say that I will accept Imperial Preference as a policy.

Mr. B. Das: Hear, hear.

Mr. R. K. Shanmukham Chetty: So far as I know, except the voluntary preference that the United Kingdom has given to certain Empire products, no country in the British Commonwealth has yet declared in favour of Imperial Preference as a policy. Some years back, while I was in Australia on the Empire Parliamentary Delegation, I attended a Conference of Empire Statesmen where the subject of Imperial Preference was discussed. Speaker after speaker from the Australian Parliaments said that, in their Tariff policy, they would be guided solely by the consideration of the interests of Australia first and foremost. And may we not be permitted to say that, in the framing of our tariff proposals, we shall be solely guided by the fiscal and economic interests of India and India alone? If it is possible to devise a scheme of tariff by which Indian industries will be able to get all the protection they want, by which the Indian consumer will not be affected, and by which you will give some sort of preference to Empire products, then certainly I, for one, will not object to it. (Hear, hear.) But, Sir, so far as I have studied this aspect of the problem, I think it is very difficult to devise a scheme of tariff which will satisfy these three conditions that I have mentioned. It must give all the protection that the Indian industries want, it must not prejudicially affect the interests of the consumers in India. When the time comes to examine these proposals in detail, I shall develop this argument and I shall then try to show whether the scheme of tariff that has now been proposed will conform to these three principles which I consider ought to weigh with us. I would leave the matter at that.

I would now like to say a word on the silver duty. The proposal for the levy of duty on silver is mixed up with the situation caused by the

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Government of India in the sale of silver. My Honourable friend, I know, would not agree that the fall in the price of silver has been brought about by the action of the Government of India but he cannot deny that the situation has been accentuated by the sales of silver by the Government of India. I am not one of those who would ask the Government not to sell silver under any circumstances. On the other hand, looking forward, as I do, to the establishment of a gold standard currency in our country, I want that the silver in our currency reserve must be replaced by gold, because the longer you postpone this operation, the longer you will postpone the realisation of a gold standard currency. But what does the Honourable Member do with the proceeds that he realizes from the sales of silver? If he had replaced it by gold, then I would certainly have had no objection. But if he proposes, as he has done in the past, to utilise the proceeds simply to meet the expenses of the Secretary of State, then I strongly object to such a policy. The proposal to levy the duty on silver, as I said, is connected with the action of the Government of India in disposing of their surplus silver. No doubt the duty that he now seeks to impose will to some extent increase the value of the silver hoardings in which the poorer people have invested their money. This aspect of the question also will again be examined in greater detail when the Finance Bill is taken into consideration. But there is one aspect of the question to which I would draw the attention of the House at this stage.

Mr. President: The Honourable Member is now exceeding his time-limit.

Mr. R. K. Shanmukham Chetty: I am sorry, Sir. May I know what is the time-limit?

Mr. President: The limit is 20 minutes.

Mr. R. K. Shanmukham Chetty: The Honourable Member proposes to levy a duty of 4 annas per ounce, which comes to very nearly 20 per cent. But he does not propose to increase the duty on silver ware and silver thread, which now pay a duty of 30 per cent. If the silver duty is necessary, then I would submit that, as a corollary to that, there should be a corresponding increase in the import duty on silver ware and silver thread.

Sir, as you have already reminded me that the time at my disposal is coming to an end, it is not possible for me to go into any other points. I would only conclude by saying this, that the Honourable the Finance Member, by his proposals for new taxation has certainly balanced the Budget, but as a representative of the Central Government, he has got a greater duty than merely to balance the Budget. The Central Government and the Central Legislature, as the custodians of national finance, have to devise ways and means for increasing the national wealth of the country, and thereby to increase the resources at the disposal of the Provincial Governments, so that the Provincial Governments may in time take on hand great schemes of social and other beneficial legislation. With this object in view, it is high time that the Honourable the Finance Member should concern himself, not merely with the task of balancing the Budget, but of improving the general economic situation of the country, improving the agricultural and industrial situation in the country and in that task, may

I give him a suggestion? He must appoint an Economic Advisory Council, on the lines of the Council recently announced by the Labour Government, so that such a Council might, from time to time, advise the Central Government as to the measures that are to be taken for developing the vast natural resources of the country, and thereby increase the national wealth of the country and place at the disposal of Provincial Governments funds for nation-building services. (Hear, hear and applause.)

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Sir, I think it is a tragedy of fate that the year for which promises were held out to us by the previous Finance Member that this House would be able to gloat over surplus balances and dole out all sorts of contributions to nation-building departments and make remissions of taxation should be the year when the Honourable the Finance Member is forced to put before us a Budget proposing additional taxation going up to not Rs. 5 crores as the Honourable the Finance Member estimates, but nearer to Rs. 7 crores. The past three years, whatever may have been the estimates at each budget time of surpluses, have in actual fact resulted in deficits. In 1927-28, the deficit was Rs. 2·21 crores, in 1928-29 Rs. 1·06 crores, and for 1929-30, it is estimated at Rs. 1·56 crores. Add to this the loss which the Honourable the Finance Member estimates for the next year, that is Rs. 4·10 crores, making a total deficit of Rs. 8·93 crores for four years. But this does not enable the Finance Member to wipe off the liabilities which were left uncovered, and he proposes to regard as permanent debt the accrued liability on Postal Cash Certificates, which amounts to another Rs. 7½ crores, and the total thus amounts to Rs. 16½ crores, including the next year. This has been met, or, is proposed to be met, by adding Rs. 7½ crores to the permanent debt and by utilising what are called windfalls of the German liquidation account of Rs. 1½ crores and by utilising fully the revenue reserve of Rs. 2·95 crores. The total by this means amounts to Rs. 12 crores, leaving an amount of Rs. 4·42 crores to be recouped from taxation. I will quote, Sir, the exact words in which the "undertaking", according to one Honourable Member who spoke last year on the Budget, was given by the previous Finance Member, Sir Basil Blackett, regarding what his successor would be able to do:

> "From 1929-30 onwards it will be the privilege of this House and of my friend and successor, Sir George Schuster, whose acceptance of the post is a matter of great personal satisfaction to me, to find no outside claimant to the recurring surpluses which I hope it will be their good fortune to enjoy in the coming years and they will be free to turn their minds on the one hand to new directions in which money can be usefully laid out for India's advancement and on the other hand to the readjustment of the burden of taxation and to those reductions of taxation, so welcome to tax-gatherer and taxpayer alike."

(At this stage Mr. President vacated the Chair, which was taken by Mr. Deputy President.)

These, Sir, were the hopes held out to this House when a certain currency policy had to be forced in the teeth of our opposition in 1927, and it is a tragedy of fate that we should today be faced with a situation where the Honourable the Finance Member has to urge this House to agree to fresh taxation, taxation not for the purpose of spending more money on nation-building activities, but for the purpose of putting the finances of the Government of India in, what I may call, a solvent condition. It is a tragedy

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of late for us, but as far as the Government which during the regime of the previous Finance Member pressed upon the country this policy in the teeth of our opposition is concerned, one can hardly sympathise with them. All that one can say is that while the suffering is the country's, as far as the Government are concerned, they well deserve the anxiety which must be theirs too.

The Honourable the Finance Member now says that he is left with no option but to ask the Assembly to consider fresh taxation, and before I proceed to examine, in broad details, some of the heads of new taxation, may I touch upon one subject in connection with which I find it somewhat difficult to understand the intention of the Honourable the Finance Member. I refer to paragraph 23 of his speech. Whilst there is a deficit which he wants to be made up by fresh taxation, the Honourable the Finance Member asks us to agree to an equalisation fund, a reserve fund as far as the interest on the Gold Standard Reserve is concerned. In fact he has already made up his mind to start that fund with £100,000 and he proposes to put another £50,000 this year to it. A sum of £150,000, in these days, when fresh taxation is said to be inevitable cannot be overlooked. It is something like 20 lakhs of rupees. I wish to ask the Honourable the Finance Member what justification he has, even on the most conservative lines of finance, for asking us to approve the creating of this fund. If he can do away with it, his demand for fresh taxation would be smaller to that extent. He explains by saying that the securities held in the Gold Standard Reserve have to be revalued at certain intervals, and I understand that this revaluation is to be almost monthly. I do not object, Sir, to the securities in the Gold Standard Reserve being kept at the correct market rate from month to month or even, week by week. That is our security against paper currency, and I am anxious that the paper currency, which we all want to be increasingly popular in India, should have as true and substantial a backing as possible. But is it necessary, Sir, where the securities in the Gold Standard Reserve are short term, to debit the revenues of the country with the temporary discount which may prevail in the market rate? I have in my hand, Sir, the latest report of the Controller of the Currency for the year 1928-29, and I see that the securities amounting to £38,139,000 consisted of British Treasury Bills and Treasury Bonds maturing in April 1929, February 1930, May 1930, in 1930-32, in 1931-33, 1932-34 and 1933-35. These short term maturities, in case of set backs in market valuations, hardly require to be provided for by taking away lump sums from the revenue for the simple reason that in one or two or at the most five years, as the case may be, these securities are repayable at par. I suggest to the Honourable the Finance Member that, unless he wishes or expects to have to sell these securities in the Gold Standard Reserve in the near future, it is not necessary for him at all to provide for the depreciation—temporary depreciation—in the market value of these securities out of our revenues. I do not know whether it can be the intention of the Finance Member to touch the securities of the Gold Standard Reserve for supporting the Government's pet ratio of 1s. 6d. But I should be extremely sorry for the people of India and for the Government of India if Government's thoughts were running in that direction. I wish very strongly to protest against anything being debited to the revenues of this country for these temporary

depreciations in these short-term securities of the Gold Standard Reserve. I do not wish to pursue this any further. I hope the Finance Member will see the point of what I am urging. Either he wishes to sell the securities in the near future and wishes to provide for depreciation on it in anticipation, or if that is not his intention, I suggest that it is unnecessary and this provision of £150,000 should not be approved of by this House.

Now, Sir, to return to the question whether taxation is justified in these circumstances or not. The Honourable the Finance Member says, in paragraph 87 as follows:

"It will be unwise to allow such an argument to prevent the introduction of new taxes sufficient to meet the situation as I have to present it today;"

This makes me feel that my Honourable friend is not prepared to base his Budget on the prospects of revenue going up. In fact, if I may put it more clearly, he apprehends that, as far as India is concerned, we may not be out of the wood yet, and the unprecedented depression which is at present overshadowing the commercial, industrial and agricultural operations may not be the worst that is in store for the country. A very cautious stand, I concede; but at the same time it is one which does not give a good omen for the year 1931-32. His main reasons are contained in paragraphs 88 and 89. He pleads that:

"Some of our present sources of revenue are likely to disappear, and, in the case of others, reductions may become desirable."

He particularly refers there to opium. The reduction therein is Rs. 30 lakhs a year, if I remember aright, and by 1935 the whole of the opium revenue, which amounts to about a crore and 40 lakhs of rupees net, is likely to disappear. I fully realise that this will have to be provided for, but there is no reason why we should provide for all that this year when trade, industry, and the general conditions of the masses are at their very worst.

His next reason is:

"New needs for expenditure are constantly likely to press upon us and I have already referred to some of the new services which are now being developed."

If he has faith in the conditions not growing any worse, may I not ask him to pin his faith on the normal development of revenue as happens in the ordinary course? Anything over and above that need not be undertaken, and I do not think fresh taxation can be said to be justified on this ground of his.

His third reason is in paragraph 89:

"Yet another consideration is this. We have, in my opinion, been working in the past three years with a dangerously low margin. In a country like India, subject to great risks of loss of revenue from failure of rains or from floods it is desirable to have some margin of revenue," etc.

I agree that every person who has got to manage the finances, be it of a corporation or a country, always likes to have something in hand on which to fall back. If it was a question of his sitting on what he had in hand as against his having to distribute it in remission of taxation, I might sympathise with this reason of his. But where it is a question of drawing more out of the people by way of taxation in order that he may have a comparatively comfortable berth in which to travel next year, I am

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afraid we must protest and ask him to carry on as Government did in the past, when we were told that the margin the Government of India had in hand was ample. It is the same Government of India that asks us today to approve of new taxation and we must remind them of what they carried on with in past years, when they misled the country into the vicious circle the country is in.

Sir, as far as retrenchment in civil administration is concerned, the Finance Member has come to the conclusion that there is not much room for that. He however has frankly told us in paragraph 19 that:

"A time-scale basis has been adopted in practically all departments, and this is an inevitable commitment, and, unfortunately, we have not yet approached anything like the peak figure."

The increase under this for the year 1930-31 is Rs. 25 lakhs. Obviously, once such liberal increases are made on a time-scale basis, Government must find it difficult to go back upon same. Naturally they cannot now expect any sympathy from this side of the House. When these increases, the details of which I need not go into now, were made, they were made on an extravagant scale, without considering the capacity of the country to stand fresh taxation, and one can only insist that Government must reverse their extravagant policy even now.

The main point, however, is regarding military expenditure, and I cannot help wondering how the Finance Member reconciled himself to the trifling reduction of Rs. 80 lakhs for the next three years in the Military Budget. I wish to remind him of what the Inchcape Committee said in their general conclusions on the Military Report. They said, and I am now reading from the general conclusions in Part I, paragraph 3:

"We, therefore, believe that the adoption of our recommendations will enable the estimates in subsequent years to be reduced to about Rs. 57 crores irrespective of any savings due to further economies or falling prices."

The fall in prices of articles required by the Military Department has been in two directions. There has been a substantial fall in prices of those articles which the Military Department use,—food grains, fodder, piece-goods, both cotton and woollen, iron and steel, motor cars and other articles of transport—these have all substantially gone down since the Inchcape Committee submitted their Report in 1923. But above all, the very substantial expenditure in sterling which the Military Department incur in London has had a great windfall in the appreciation of the rupee. In no Department of the Government of India can there have been an automatic reduction in two directions, and a reduction not from 1*s.* 4*d.* to 1*s.* 6*d.* only, but from something under 1*s.* 4*d.* gold, as the exchange prevailed in 1923, to the 1*s.* 6*d.* which Government are struggling to stabilise today. I would very much like the Finance Member to have a statement prepared showing the drop in prices of the various articles which the Military Department require for their use from day to day in a year, and also what has been the saving in rupees in the sterling expenditure of the Military Department in London. I cannot help coming to the conclusion that this aspect was not examined by the Finance Department of the Government of India when they concluded their arrangement for a reduction of Rs. 80 lakhs for the next three years. On a very rough and casual calculation—and I do not claim that it is accurate—I have come

to the conclusion that the saving in the military expenditure for the above reasons alone should be somewhere in the neighbourhood of Rs. 4 crores. There is a further saving. I see from the Explanatory Memorandum of the Financial Secretary that there has been a reduction in the pay of British troops, owing to new recruits being taken on on reduced rates of pay, amounting to Rs. 25 lakhs. With all this, to tell us that the reduction for the next three years agreed to has been on the basis of Rs. 80 lakhs on the whole is, to my mind, to rely a bit too much on our credulity. If this House had a free vote on military expenditure, I mean if the whole of this expenditure was votable, one would say to Government, "You have got to make the reduction from the Military Budget because it is not only fully justified but it is over due." (Hear, hear.)

I would further like, Sir, to draw the attention of the Honourable the Finance Member to what the Inchcape Committee said under the head, "Royal Air Force". The budget estimate for the year 1922-23 on this was a crore and 41 lakhs of rupees. The Inchcape Committee have only ten lines in their Report under the Royal Air Force. But they conclude with this very significant sentence which, I am afraid, the Government of India in the Finance Department may have forgotten now. They say:

"And (since) there is a possibility that the extended use of the Air Force might result in economies in expenditure on ground troops" (*Hear, hear.*) "we make no recommendations."

Has anything been done in this direction or have Government been agreeing to the Military Department spending more on the Royal Air Force without making any reduction either in our ground troops or in our cavalry or in any other paraphernalia of war? If so, all that I can say is that, whilst the British Cabinet has been working for disarmament in the whole of the civilised world, here in India our Government have been steadily increasing their resources in that direction. (Hear, hear.) Do Government expect us to be a party to fresh taxation when they continue to do something quite different from what the British Government have been pressing on the whole civilised world with what looks to me like so much justification and—if I may say so—with so much credit to the Premier, Mr. Ramsay MacDonald? Sir, the conclusion that I, therefore, draw is that this deficit of about Rs. 4½ crores ought to be met by a reduction in the Military Budget, and no further taxation is wanted. But knowing as we do the handicaps of this House in voting on the Military Budget, I have no option but to notice the taxation proposals of the Honourable the Finance Member, with a view to point out where he is really recommending to us taxation which is unjustified.

What is, Sir, the worst feature of the Budget as far as taxation is concerned? The proposed taxation holds out no promise to us of the money being spent in any direction which can be said to be of a nation-building utility. In fact, it is to provide Government with the money with which to put their House in order after the mess made in 1927. In fact, in the words of the Honourable the Finance Member himself—he says this in his concluding paragraphs:

"Secondly, principles of financial soundness are being doubly reinforced. No financial weak spots are being left as regards debt redemption and the cash certificate liability, while I have provided for a margin of safety in case events next year prove unfavourable."

[Sir Purshotamdas Thakurdas.]

A very negative advantage, Sir. My reply is—there should have been no weak spots left at any time, in the finances of the country. Is this a confession and a condemnation of the policy of the Government since 1926-27?

(At this stage Mr. President resumed the Chair.)

I feel, Sir, that the other prospects held out to us by the Honourable Member also require a little further examination. He says:

"Thirdly, we are making a substantial start towards a constructive economic policy and opening the way for beneficial expenditure."

One must always sympathise with the Government in that direction; but in view of the past history of the Government till now, one cannot help asking the question, have the Government of India ever had any consistent economic policy to follow which would build up the masses and the people of this country? This is, I dare say, a blunt question to ask. The question by itself carries its own condemnation; but one cannot help asking that question in all frankness when the Honourable Member asks us to console ourselves at the time of voting new taxation, that we should look forward to help a constructive economic policy. But if the Honourable Member knew all the various promises made by the Government in the past whenever fresh taxation was asked for, and how great hopes given and expectations raised were set at naught as soon as there was any deficit to fill up in the Government reserve owing to something else happening, he perhaps would not have asked us to rely upon this so much. I wish to ask him, if the Government of India, less than six years back, appointed an Economic Enquiry Committee presided over by Sir Visweswarayya, and has anything been done with that Report at all, or is that Report simply put on the book-shelves of the Government of India to be looked at and referred to when somebody on the floor of this House refers to it? I want to repeat, have the Government till now had any economic policy which they have laid down and consistently followed? I do not wish to call this a good bait for us. I believe my Honourable friend is too straightforward and honest to put before us any bait as such; but I cannot help reminding him that this will not catch as far as we are concerned. Is he prepared definitely to earmark any surplus that may be had out of this new taxation, after meeting a deficit of Rs. 4 crores and odd, for this constructive economic policy? I know he would say there is no precedent for it and no Government can do it. If that be so, I am afraid I cannot help having to heavily discount this particular attraction which he holds out.

Mr. President: The Honourable Member will have other opportunities.

Sir Purshotamdas Thakurdas: I propose to utilise every opportunity in that direction.

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

Sir Purshotamdas Thakurdas: Is it so? Just one word more and I will conclude. I notice that all through the Budget the Honourable Member does not refer at any length to the masses of the country or to their condition. There is only one reference to them and that is in paragraph 112 where he says:

"It is clear that the condition of the agricultural classes of India must be seriously affected, and it may be that, in order to maintain their position, they have to part with an undue proportion of their own production."

I feel that, in presenting a Budget of the Central Government, it is necessary for the Honourable the Finance Member to take a review of what has happened during the current year regarding the condition of the masses of India. The short statement I have just referred to is significant but requires elucidation.

But the most serious and thought-provoking part of the lines of policy referred to in the same paragraph runs as follows:

"In the second place, it is desirable to encourage industrial development"

and these are the words which I would like Honourable Members to mark—

"provided that this can be done in conjunction with, and as a supplement to, the agricultural life of the country."

Is this, I ask, the policy of the Government of India? Is it the ideal of the Government of India to encourage industrial development, provided that it can be done "in conjunction with, and as a supplement to, the agricultural life of the country"? Does that mean that they do not think that the cotton textile industry of India requires their most earnest solicitude, that the iron and steel industry requires their attention? Is it only when an industry directly benefits the agriculturist that the Government of India will pay attention to it? I see that an import duty of almost 100 per cent. on sugar is acceptable to Government, but an import duty of 15 per cent. is to be the maximum for piece-goods from the United Kingdom. If what I have just quoted—and especially the way in which I read it—be correct, it explains to us the step-motherly attitude that the Government of India have adopted in this Budget regarding the cotton textile industry. I propose, Sir, to follow your suggestion and to deal with the details of this and other items of taxation on the relative Bills as they come up.

Mr. N. C. Kelkar (Bombay Central Division: Non-Muhammadan Rural): I am quite content to exercise the privilege of a back Bencher and to have my say on the Budget at an early stage of its discussion. But I confess I never felt the time limit for speeches so galling as I feel it today, being face to face with such a budget. I will, however, try to be as brief and as terse as I can.

Last year, when I heard the budget speech of the Finance Member, it sounded to my ears like the cautious treading of the soft padded footfall of the tiger. But this year, the tiger has drawn out his sharp claws, and we have before us an unrelenting budget with its pointed fingers digging into the vitals of the Indian people.

After I carefully read the budget statement at home, I was just scratching my head and wondering what good word one could possibly say for it. One such word I ultimately found, and that was that it was a lucid budget, not in the sense, however, of sanity, but in the sense of clarity. A friend was sitting by me and he wondered at my charitable frame of mind. He was simply excited over the Budget and he tried to correct me by saying, "Oh, the Budget is not lucid, but it is lurid". I at once willingly accepted the correction, and only added that the very lucidity of the Budget made its luridity more obvious. For the Budget is lurid in this sense, that in its darkness are to be seen red and blue flames, which make the spectator uncomfortable.

[Mr. N. C. Kelkar.]

Coming to close quarters with the Budget, I find that the Budget is really better in form than its average predecessor.

It is obvious that the Finance Member wanted this time to concentrate on only a few points in his budget statement. We, therefore, find no reference at all in his speech to the policy, for the year, underlying some of the departmental administrations; *e.g.*, he has not said one word about the working of the Postal and Telegraph Department, and owing to an unfortunate convention, other departmental heads make no speeches. Perhaps there was not much to be said by way of disclosing anything like a new policy for the Postal Department. But I take this opportunity to express my sense of the general approval with which the policy of the head of this Department for the last five years has met at the hands of the critics and general public. I think, it is only fair to say that the Honourable Sir Bhupendra Nath Mitra was always anxious to better the condition of the subordinate staff. During his tenure of office, he redressed many grievances of his Department, which was the most useful, but also the most neglected at one time The Finance Member has said very little about the Military Department. The only remark I wish to make in that connection is that there is still greater need of economy in that Department than he seems inclined to admit.

The Budget, I have said, is clearer than usual. But even then, one feels that more information should have been given to the public on certain points. Personally I would like to learn more about the reparation amount which comes first on the field, and in this connection, one would like to get more information as to the share of India's total cost, in relation to the War, and the share of the reparations she is getting.

The second thing one would like to have is a full statement about the gold resources of India. An enormous amount of the gold resources has been dissipated in the Currency Department since the new ratio was enacted. Also a full statement as to how the gold reserves were being established, as was recommended by the Currency Commission, with a view to enable India to come on to a full, real gold standard. But even greater was the expectation of a full statement about the sales of silver operations. Admittedly, an enormous amount of Government's silver has been sold, and one would like to know, what was the net loss in these operations. We laymen have no idea of these things, and some of those who know better tell me that the loss has gone up to very many crores. The question, therefore, is how has this loss been made good? Is it made by mere contraction of currency and *ad-hoc* securities? Also was this purchase money of silver used for buying gold or gold securities? I do not here go into the vexed question of the wisdom or unwisdom of silver sales at a time when silver prices have fallen considerably. But one feels curious to know whether the total loss involved in the sales of silver was greater or less than the amount to be eventually made up by the interest on the gold securities substituted if any. One would similarly like to know whether the sterling loan of 12 million raised this year in England was indispensable, and whether the needed amount could not have been raised in India itself or in any other country at a cheaper rate. My impression is that it would not have been difficult for the Finance Member to raise a rupee loan for the required amount in India itself. I mention these few points as instances of points about which we

should have liked the Finance Member to give us more details in his budget statement itself. For he knows that, on all these points, the Indian public take a very keen interest, and if I may say also, feel very suspicious about the underlying policy of Government.

Turning to the Budget itself, as disclosed in the Finance Member's statement, no doubt he has set out some six points as being the main features of his Budget. But we on this side also have our own view of its features, and I would summarise them as follows:

(1) It is a sadly deficit budget.

(2) It is marked by extravagance and almost hopeless inability of the Finance Member to control the growing expenditure.

(3) It imposes new taxation when the country is not obviously able to bear it.

(4) It is niggardly in its provision for essential beneficial services.

(5) It is marked by a revived tendency to go in for foreign loans.

(6) It shows an obstinate tendency to accept the new ratio as a settled fact.

(7) It shows general callousness towards the depressed condition of the country.

Let us take these points briefly in order. In his valedictory budget statement, Sir Basil Blackett prophesied that "the era of deficits had come to an end". But what we now see is just the opposite of it. The deficit may partly be due to the failure of the natural development of the revenue resources, but it is even more due to the extravagance of the Government. If one analyses the expenditure side of the Budget, it will be seen that enormous amounts are being spent on protection. Some functional development must of course take place in the Government, but the expenditure on it seems to be out of proportion to the benefit realised by that development. There is as yet no inrush of democratic programmes in this country. And yet a large amount seems to be spent on gratifying the instinct merely for immitation; and the least share of expenditure has fallen to essential beneficial services. A shrewd observer has remarked that "increases in Government expenditure have become so common, that economists can now deduce general laws governing that phenomenon. Some of the causes of increased expenditure are industrial revolution and transformation of the economic and the social life of nations. Technical efficiency is another of these reasons. Many nations have used their technical knowledge and equipment for war purposes, and forced themselves to engage in a rivalry and supremacy in military and naval display of preparation that leads them to bankruptcy." And yet there is another reason for the increase of expenditure, *viz.*, mere immitation. This critic says:

1 P.M.

"Public expenditure have increased, even in some countries in which the progress both of industrial technique and of democratic principles has been slow. These countries, backwardly political and undeveloped industrially, have immitated more progressive people at least in so far as it concerns implements and paraphernalia of warfare. Cannon and gun boats they must have though even schools and sanitation be lacking. In some cases the rulers learnt the trick of public credit, and while this resource lasted, they were able to indulge in wild orgies of extravagance."

[Mr. N. C. Kelkar.]

I think India can fairly be said to fall under this description. when we compare the expenditure of Government on the Army, aviation, broadcasting, foundation of Capitals, and the erection of palatial Government houses, and the building of garden cities as in New Delhi, and appointment of committees and commissions, unnecessary and useless.

Retrenchment Committees made well considered recommendations, but extravagance seems to laugh at the wisdom of those who made those recommendations. The Finance Member has promised to appoint a new Retrenchment Officer. But that is, I think, mere eye-wash, for he has in more places than one taken up in the Budget itself a definite position that the new demands for expenditure are irresistible. and I wonder, if his Retrenchment Officer will be able to suggest or the Government will carry out economies which come up to the money to be spent on the Retrenchment Officer himself and his Staff! (Laughter.)

As regards the new taxation, I will not say much on that head in my present speech, because that subject by itself is likely to come up for discussion later on. But I cannot allow this opportunity to pass without briefly touching the proposed cotton duties, for they are introducing for the first time in this country the principle of Imperial Preference. The proposals for taxation in this respect are interlocked. We can make no changes by way of increasing the duties. All that we can do is, either to take the proposal as a whole or to reject it. The Finance Member has put the country in what I call a cruel dilemma. If we reject the proposals, we have to refuse the protection to the Indian mill industry, to which it is entitled in its present misery. On the other hand, if we accept the proposals, we have to recognise and accept the vicious principle of Imperial Preference. I wonder, if the present duties are an advance guard of the Empire Crusaders, who are out for protecting the Empire by internal free trade and external tariff walls. As the *Manchester Guardian* has said, "Empire Free Trade means only an empire surrounded by imperial tariff walls for the protection of Great Britain". No doubt, in recommending his proposals, the Finance Member has tried to carry us into an elevated region of dignity. He has disclosed to us the correspondence between this Government and the Home Government, and has tried to persuade us that the convention about fiscal autonomy is a rock-reality, and that in this case, we have to hold our hand against Lancashire, because His Majesty's Government have not commanded us to do the needful, but come to us with representations and appeals. "Was greater proof needed," says the Finance Member, that "India was a really self-governing country? Is there not here one more piece of evidence, one more external sign of India enjoying Dominion Status? What more should India want to gratify her pride and honour?" But India, I assure the Finance Member, is not so gullible. She knows that the Fiscal Autonomy is not a rock reality, but a mock reality And India is not so dense-headed as not to perceive the "Imperial Preference" which my friend Mr. Birla has said "is now coming by the front door". The Dominion Status that is indicated by the so-called humble supplication of the Cabinet to India is obviously as artificially appreciated as the present Indian rupee. Nor do I believe that our acceptance of this preference is going to give us anything more in return than vacant possession of Dominion Status, if I may use a somewhat legal phrase in a literal

sense. I am convinced, therefore, that the elected Members of the Assembly would be utterly unfaithful to their constituencies and to the country, if they accepted the Imperial Preference proposals in the foolish hope, that they would bring Dominion Status any nearer to them.

I am nearing my time, and would like to conclude with only one point, and that is, that the present taxation proposals betray what I may call a spirit of callousness in the Budget. One wonders how the Finance Member could make himself bold enough to advance such proposals, when he knows and even admits that "the country is in the depth of depression". We are still in the throes of a painful process of adjustment of price-levels owing to the new ratio. Stocks of manufactured goods are lying idle and are not moving. Agricultural produce is of course being exported, but is being sold at very low prices. Even supposing there is a visible increase in the exports, it does not necessarily mean that a proportionate increase in its money returns is being realised. Internal prices are admittedly low, and yet the markets are dull. This can be accounted for only by the fact that the people have lost their purchasing power. India's credit has admittedly suffered a set back, as is evidenced by the terms of the sterling loan abroad and the rates of interest for even short term Treasury Bills in India. There has been a serious contraction of currency. The value of silver holdings has decreased enormously. What remains perhaps to convince the Finance Member of the insolvency, or the approaching insolvency of the country and the Government, is that currency notes have not yet depreciated. But if the present ruinous course is persisted in by Government, who knows that even that may not happen, as it has actually happened sometimes before. And in the face of all these facts, if business people and Indian economists lament the present situation, they are simply told that they are mischievous malcontents, who preach messages of despair without justification. The theory of the Finance Member is said to be that, in the whirligig of universal post war depression, India was bound to have its turn sooner or later, and it is only a coincidence that this deferred depression comes to India at a time when there were causes for a special depression of its own. In fact he takes Indian business men to task. as if they were mere croakers and selfish augurs of evil. He has been preaching to them a homily on the uses of adversity and the virtues of hope. But I would reply to him only in the words of the poet:

> "All all forsook the friendless guilty mind,
> But hope, the charmer, lingered still behind
> Thou, undismayed, shalt over the ruins smile
> And light thy torch at Nature's funeral pile."

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, we are now at the tenth Budget of the Legislative Assembly, and I think Honourable Members would like to know what we have been doing during all these ten years, what we have been impressing upon the Government, and what the Government have been doing all these years. In the very first year, Sir, of the first Assembly, we drew the attention of the Government to the excessive military burdens which the people of this country were called upon to bear, but the Government said that the military expenditure was intended to protect the people of this country and that it could not be reduced. We took a different view, and we cut down the general expenditure by a percentage and forced the hands of the Government to retrench by passing a Resolution, in spite of the

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strenuous opposition of the Government, a Resolution which culminated in the appointment of the Inchcape Committee. Sir, I was not satisfied with the terms of reference to the Inchcape Committee. The terms of reference were limited but in spite of the limitations addressed to the Inchcape Committee, that Committee recommended a drastic reduction in the military expenditure. *Pari passu* with the sitting of the Inchcape Committee, or a few months before the Resolution which led to the formation of that Committee, there was a memorable Conference of the world financiers in Brussels in which, Sir, India was represented. And what was the unanimous verdict of that Conference of financiers? I shall read to you a few sentences from the conclusions of the Brussels Conference. They said:

"The statements presented to the Conference show that on an average some 20 per cent. of the national expenditure is still being devoted to the maintenance of armaments and to preparations for war. The Conference desires to affirm with the utmost emphasis that the world cannot afford this expenditure. Only by a prime policy of mutual co-operation can the nation hope to regain their old prosperity and secure . . . the resources must be devoted to strictly productive purposes."

These are the memorable words addressed to the world at large, and to India in particular, by the expert financiers at Brussels. What was the response? So far as India is concerned, the response is contained in this table which I shall briefly read to the House. In 1910-11 the net expenditure on the Army was,— I am giving it in round figures,—19 million pounds; in 1920-21, in ten years' time, it was 81 million pounds. In 1928-29 it came to 55 million pounds. Honourable Members will thus see that, during the last twenty years, the military expenditure has gone up from 19 million pounds to 55 million pounds. And what is the reason of it all? In a very frank statement made by a leading newspaper in England on the question of military expenditure in India, the *Manchester Guardian*, I find, Sir, the following statement. This is what the *Manchester Guardian*, in its leading article, says about the military expenditure in India. Dealing with the Viceregal pronouncement on the question of Dominion Status, this is what the *Manchester Guardian*, says:

"There are two chief reasons why a self-regarding England may hesitate to relax her control over India. The first is that her influence in the East depends partly upon her power to summon troops and to draw resources from India in time of need. This power will vanish when India has Dominion Status. The second is that Great Britain finds in India her best market and that she has a thousand million pounds invested there."

This, Sir, in a nutshell is a statement of England's case against India. The Budget is the result of the interplay of these two forces: the one produces the deficits, the other the Imperial Preference. England cannot afford to relax her control over India or reduce the military expenditure, because the military expenditure in this country is intended for the protection of England's Eastern possessions, and she cannot possibly allow any economic development of the country because, by doing so, England will lose her best market in the East. (*An Honourable Member from the European Group*: "Quite so"). This is, as I have pointed out, the main reason why the military expenditure in India has continued to be what it is. We are not here concerned with the plain arithmetical figures which my friend Sir Hugh Cocke gave to this House, that you want so much money, you have got so much money, you have got therefore to receive so much more money, and therefore you should get it by additional taxation. What the elected representatives of this House demand is a clear statement from the Government as to what action they have taken since 1921 to change their policy regarding the military expenditure in this country. We have been complaining, and complaining times without number, that the military strength in this country bears no relation whatever to the military requirements of this country. We have been told, and we were told, that one third of the Army in India was kept for the defence of the frontier, one third for peace and security of the country, and one third for what is known as covering troops. Sir, we know as a matter of fact, and as is pointed out in the Inchcape Committee's Report, that since then there has been a great development in the Air Force, and a military officer of great repute contributed an article in one of the journals of this country in which he pointed out that, with the development of the Air Force, the reduction of ground forces has become necessary. Now, what has been done? The Government of India, far from reducing the white troops, far from reducing the burden, are treating the civil and military expenditure of this country as if it has been standardised, and it is against this standardisation of the expenditure by the Government of India that this House has annually protested ever since the advent of the reforms. What we therefore want is a change of policy. What we want is that the entire resources of the Government of India should be submitted to the annual vote of this House and we shall then be in a position to advise the Government of India as to how far they should be able to incur fresh taxation if and when necessary. So long as this House is only a partner in the raising of taxes, but has no voice in determining as to how that money is to be spent, this House must be extremely careful not to vote one single rupee to the irresponsible Government unless it is absolutely satisfied that that amount is necessary. But is it necessary in the present case? For the last three years we have been living from hand to mouth, and the secret has now come out that, during the last three years, we have been passing three annual budgets with recurring deficits, and we have been able to tide over the difficulty by merely relying upon adventitious windfalls. We have also got this year a windfall in the German reparation payments of a crore and a half. In spite of these windfalls, we still find ourselves in a region of deficit budgets, and the reason for it is this that the expenditure of the Government of India remains what it is and is going on increasing from year to year.

Now, Sir, I do not care as to how you raise the money, but what I do care is to see how you spend it, and so long as Members of this House are not in a position to scrutinise every item of the Budget, I think they would be perfectly within their rights to refuse to grant additional supplies. We feel morally justified in saying that, if the Members of this House were taken into confidence by the Government of India and if the Government placed all their cards upon the table, they would get the support which they badly need from the elected representatives of this popular Chamber, to press the authorities at home for the reduction of military expenditure. It is an open secret that the provinces, including Burma, are crying out for separation, because they say that the Central Government expenditure is too high. In Burma the cry is raised that Burma must be separated from India because the defence problems of India are not the defence problems of Burma, and the Government of India have made Burma the milch cow, and other provinces equally so. All the nation-building departments in the provinces are suffering on

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account of the elastic sources of revenue being appropriated by the Government of India and the inelastic sources of revenue being left to the provinces. The remission of the provincial contributions was only a temporary relief, but it is nothing compared to what the provinces would be able to do if the expenditure of the Government of India were brought down to a reasonable figure and the surplus made over to the provinces.

We have been offered a bait. The Honourable the Finance Member says, "If you allow my proposals to go through, I shall provide a small tiny nest egg for the future government that might come into existence". Well, Sir, if Members are here three years' hence, they will probably hear that all this money kept for the development of the nation-building departments has had to be spent because of some expedition here or because of some economic distress elsewhere. I would ask the Honourable Members of this House to make no provision for the future. The future will take care of itself. When the future Government comes into existence, that Government will know how to deal with the Central Government, and the future Governments, Central and Provincial, will decide the inter-dependent financial questions. I do not think that we should permit the Finance Member to over-budget against this future contingency, and I submit, that is my justification for refusing additional taxation. I think the Honourable the Finance Member expects to get, if I mistake not, about 1½ crore of rupees from the import duty on silver and from which he wishes to lay aside about a crore of rupees for the future nation-building departments in the provinces.

Sir Purshotamdas Thakurdas: Where do you get your figures from? He did not say that? Your figures are not accurate.

Sir Hari Singh Gour: I do not stand by my figures. I stand by my statement. I repeat, whatever may be the figures, two crores as the Honourable Member opposite estimates, or only a crore on a conservative estimate, as the Finance Member has estimated, the fact remains that the Honourable the Finance Member has said that he is going to lay aside a certain sum of money to be made over to the provinces. . . . .

Sir Purshotamdas Thakurdas: In certain contingencies.

Sir Hari Singh Gour: Yes, and those contingencies, as the Honourable Sir Purshotamdas implies, may or may not arise. But that question apart, we are here first of all to ask the Government of India as to what retrenchments they have made in their civil and military expenditure. I have dealt with the question of military expenditure. I shall say one word about civil expenditure. As regards that, Honourable Members are aware that we have protested emphatically against the increase in the Civil Budget. The Lee Commission was appointed, and large increases were made in the pay of the all-India Services. This House protested, and in spite of them, the increases were sanctioned by the Secretary of State. The result is that we are faced with an expenditure of 25 lakhs of rupees on account of the time-scale of pay being fixed in the case of certain civil administration officers. I submit that we are not in sympathy with either the growth of civil or military expenditure, and this House would be well justified in resisting to the utmost every proposal for the increase of taxation.

One word more about the cotton duties. I am one of those who feel strongly for the protection of the industries of this country, but if, with the proposal for the protection of the industries of this country, there is coupled a noxious proposal which differentiates between duties leviable against one country and another, I ask, is this justifiable? As one of the speakers said, we are not entirely opposed to Imperial Preference. We are all anxious that the Round Table Conference should be successful and that British opinion should not be exacerbated unnecessarily, but at the same time our primary duty is to our country, and unless we are satisfied that the duties that have been proposed for the protection of the cotton industry in Bombay and elsewhere are in the best interests of the country, we should be entitled to oppose that proposal. On these grounds, I would advise the House to resist not only the proposal for additional taxation, but also the proposal for the levy of cotton duties, unless the Finance Member satisfies this House on what grounds the differentiating rates which he suggests are justifiable. It is quite clear that, in his speech, he has not made it very clear perhaps because he intended to elaborate it later on. I do not know what the facts are. Elected Members of this House are of the opinion that *prima facie* no case whatever has been made out for Imperial Preference upon its own merits. Unless the case of Bombay is exceptional, the elected Members of this House would, at any rate, vote against what is a subtle form of Imperial Preference.

The Assembly then adjourned for Lunch till Twenty Minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Twenty Minutes to Three of the Clock, Mr. President in the Chair.

Mr. President: The House will now resume further discussion of the Budget.

Pandit Hirday Nath Kunzru (Agra Division: Non-Muhammadan Rural): Sir, in presenting his first Budget last year, the Honourable the Finance Member told us in effect that he had a difficult legacy to administer. His review of our financial position, though not alarming, filled us with anxiety. He refrained, however, from imposing new taxation, and gave three reasons for the course that he adopted, one of them being that, before imposing new taxation, he wanted to have fuller opportunity of reviewing the expenditure side of the Budget than had been possible in the limited time since he took over office. The Budget which he has now placed before us shows how considerably our position has deteriorated during the last twelve months. He has pointed out to us all the factors that have led to this deterioration. We have to find not merely a sum of about four crores in order to balance expenditure, but have also to bear in mind that certain sources of revenue will soon be extinguished. On the other hand, however, I think we may legitimately hope that certain causes, which have brought about a fall in our revenue, will disappear before long. The deterioration in the Railways and the Posts and Telegraphs account, in the coming year, for a deficit of about 99 lakhs. I hope

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a century, been protesting against the heavy charges debited to India in connection with the training of British officers and soldiers in England. The matter has been repeatedly considered during the last 60 years. In 1923 it formed the subject of consideration by the Inchcape Committee which recommended that, "a fresh regular settlement should be expedited", and suggested that:

"The most equitable arrangement will be to base the payment on the number of troops sent out and the cost of training them, to fix a separate rate for the technical services, and to allocate the cost to the War Office of training recruits between the India Office and the War Office *pro rata* to the normal colour service in each country, subject to a due allowance for the potential value to the British Government of returned men available for the reserve."

Whenever this question is raised in this House, we are told that the matter is still under discussion. How long is it going to be under discussion? I can understand my Honourable friend the Finance Member saying that these are all questions of policy which cannot be decided at once, and that we must await the decision of His Majesty's Government. But surely if these questions of policy involve heavy charges to India, if because of our financial position heavy taxation has become necessary, it is up to the Government of India to take advantage of our present position and to press on His Majesty's Government the absolute necessity of coming to a speedy decision on these points. This is the time when they can use our needs as a lever to bring pressure on His Majesty's Government to do tardy justice to us in these important matters.

Just one more concrete instance of the feasibility of reducing military expenditure and I will pass on from this subject. It was pointed out to the Welby Commission that the British Government ought to make some subvention to the Indian revenues in aid of military expenditure, and that Commission amongst other things recommended that:

"As a measure justifiable in the circumstances half the cost of transport of troops to and from India should be defrayed by the Imperial Government."

At that time I understand the cost of transport was about £260,000 and His Majesty's Government therefore agreed to pay annually £130,000 to the Indian revenues. This expenditure has however risen considerably since then, but the Imperial Government still gives us only about £130,000, which translated into Indian money comes to about 18 lakhs of rupees. The cost of transport of troops is now about 76 lakhs. The share of His Majesty's Government, on the basis recommended by the Welby Commission, ought to be about 38 lakhs. I want to know whether His Majesty's Government have been asked to increase their contribution by 20 lakhs. It is a small sum. It will not of course enable us to dispense with the need for fresh taxation; but there is no reason why His Majesty's Government should not fulfil their obligation in this matter.

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There are other instances I could give of reduction in military expenditure, but we shall have an occasion of thrashing the matter out when the Military Budget is under consideration. I wish, therefore to pass on to another subject which was dealt with by my Honourable friend, the Finance Member, in his budget speech. I refer to the provision made for the reduction or avoidance of debt. My Honourable friend's announcement

came to me, frankly, as a disappointment. He told us that this subject had better await the examination of the convention relating to the separation of Railway finance. I am in sympathy with a large part of what fell from him in connection with the contribution made by the Railways to the general revenues. It may be that at the next revision, the Railways will be called upon to make a large contribution; but the principle which I have referred to can be discussed independently, I believe, of the examination of the convention. The question that we have to decide is whether a productive debt should be amortised. If that principle is accepted, then no matter how the Railway convention is revised, the grievance of the House in this matter will remain. It is true that the general revenues may benefit if the Railways are called upon to make a larger contribution; but so far as the Government of India as a whole are concerned, so long as the present policy of amortising the productive debt is maintained, they will not benefit by a mere re-arrangement of this kind. The importance of this matter may be realised from the fact that the increased charge on account of the reduction or avoidance of debt will be about 60 lakhs in the coming year.

Mr. President: The Honourable Member must now conclude.

Pandit Hirday Nath Kunzru: Yes, Sir. I will, before sitting down, just refer to one other important point in the Budget, that is, the levy of an import duty on cotton goods. As my time is up, Sir, I cannot discuss the question at great length. But I should like briefly to point out that, while we are not insensible to the appeal made to us by His Majesty's Government, and do not desire to take any course that would unnecessarily hurt English interests, what we are asked today practically is to tax foreign imports for the benefit of Lancashire. All the imports that we receive from foreign countries do not compete with us. To the extent that this is true, the levying of a duty on them means an advantage to Lancashire goods in competition with other goods. This, Sir, is a very large principle. This goes far beyond any question of hurting British interests. A similar question came before the House in connection with the Steel Protection Bill. The Tariff Board considered this matter in 1924. But after discussing the various means of having recourse to protection which would affect only the cheaper kinds of continental steel and not the dearer kinds of English steel, it saw that the only way of differentiating between the two kinds of steel would be to have recourse to Imperial Preference. It was not prepared to recommend such a step as the policy underlying it had not been accepted by the Government of India. The position, Sir, seems to me to be the same as it was then, and I do not think that the House can be called upon at this stage to accept the principle which was not recommended by the Tariff Board in 1924. I know that the Honourable the Finance Member has assured us that the present arrangements will remain in force only for three years, and that, even in the meanwhile, the acceptance of the Government's proposals would not be regarded as an acceptance of Imperial Preference. But, Sir, it is an assurance given practically only on behalf of the present Government in England. We know that when Lord Birkenhead was in office, it was believed that, notwithstanding the recommendation made by the Joint Parliamentary Committee it was for His Majesty's Government to decide what protective tariffs should be imposed in this country. The position of the Labour Government is none too secure. They have won on critical occasions only by a few votes, and

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if a new Government comes into power before these three years are over, we do not know what advantage might be taken of the acceptance of the proposal that has been placed before us by the Honourable the Finance Member. Sir, I do not wish to take up the time of the House any further; but it seems to me that the proposal which the Honourable the Finance Member asks us to accept does involve the principle of Imperial Preference, and that as such, it requires much more serious consideration than has yet been given to it. We have to remember that, in the past, the Government of India themselves have been against a policy of Imperial Preference. The repercussions of that policy must be examined. It must be remembered that the Dominions themselves have not accepted it, and that the return of General Hertzog to power in South Africa definitely means that there will be no discrimination in that country against foreign goods as against goods coming from England. In these circumstances, Sir, we may be pardoned if we are not prepared to adopt a different policy, and we trust that our view point will not be misunderstood, and that we shall not be unjustly accused of deliberately trying to hurt British interests without gaining any corresponding advantage for ourselves thereby.

Mr. M. K. Acharya (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, I propose to make just a very few remarks on behalf of the rural population whom I have the honour to represent in this House. We have heard the proposals of the Finance Member. He has come and told us that a deficit Budget is inevitable, that fresh taxation has to be imposed; and nobody will deny, Sir, not even the Honourable the Finance Member, that after all, directly or indirectly, all this fresh taxation will fall upon the shoulders of the bulk of the people the poor toiling masses. (*An Honourable Member*: "Question".) Sir, when the question is more seriously raised, the answer will be more seriously given. Sir, it may further be not out of place to raise the question here as to what has happened during the past twelve months, since the last Budget was presented which will justify us to accept the proposed additional taxation. What has happened in the political sphere? What in the economic and what in the agricultural and industrial spheres of the country? How far have the interests of India been safeguarded, promoted, by the Government in order that they may come to the representatives of the people and say, for this and this and these other benefits that we have conferred upon you in this and this and these other spheres, we now want more money from the taxpayer, and we propose that you should grant us additional taxation?

What has happened, Sir, in the political sphere? During the last year a bomb was thrown in this House. A number of young men were arrested; some have been punished, others are under trial, and although I do not want to use that much objected expression "repression"—you can call it what you like—crime has been on the increase, certainly not on the decrease; followed by repression as the order of the day. In fact, crime and repression are, as it were, always correlated; though in no country, in no period in the history of any country in the world, has repression succeeded in eliminating political crime. Therefore, the question arises, so far as the bulk of the people are concerned, who is responsible for it all? Not surely the young men whose blood is boiling with the not ignoble desire to see their country freed; certainly not those who are ready to lay down their lives in order to win by any methods, which they consider

suitable, however, violent to us they may appear, the liberty and freedom of their country. Who is responsible? Who has made these young men take to these violent methods? Certainly not those whom I represent. We have never called upon any of these young men to wrench, by violence, Swaraj from the British rulers. But it is not at all an irrelevant question whether the policy of the Government during the past ten years, whether the policy of sitting on the fence during the past ten years particularly, is not responsible for inciting these young men to active violence. It may be, Sir, that we may brand them as traitors, we may brand them as criminals. After all, it may be said of these with but one word altered in the poet's lines:

> "For Freedom's battle once begun,
> Bequeathed by *branded* sire to son,
> Though baffled oft is ever won."

And, Sir, in this connection I cannot help referring to the demand made in this very city by authoritative leaders of the people before the representatives of the Government, before His Excellency the Viceroy, as the head of the Government, that political prisoners ought to be set free, and that a new era of peace and *reconciliation* regarding the political problem should be inaugurated and announced immediately. If that demand had been treated with the consideration that was expected or that was required, it might very likely be that we would have in this House today those who were leaders of the Opposition till last year. And therefore, I, Sir, who once belonged to that party, cannot but deplore that the policy of the Government—deliberate, it might have been inevitable, it might have been impossible for them to change it,—without going into these details I cannot but deplore that the policy of the Government has resulted in driving out of the House those whom it might have been possible to have kept in the House for the better administration of the country, both from the standpoint of Government and from the standpoint of the people at large. What next, Sir, has been the progress made during the past year in the sphere of economic development? Well, I do not profess to be a great economist; I am not a capitalist; I am not a millowner, but those who are qualified to speak, the finance and commerce Members of the Opposition here, my friend, Sir Purshotamdas Thakurdas, and my friend, Mr. Birla, these have not the slightest hesitation in saying that the effect of the wrong currency policy of the Government has been to make India poorer and poorer every day. Has there been a denial of that statement? Yes; many denials and counter-denials. Even today specific charges have been made that the currency policy of Government is responsible for the great havoc that has been played upon Government's own financial position. I daresay that there will be some kind of justification; there never has been a time when there was not justification for any argument that might be put forward or for any action that might be taken rightly or wrongly in any sphere. Therefore, whatever Government may say, the trusted leaders of the people, who have studied the economic figures carefully, swear that the currency and financial policy of Government has been responsible for a great deal of economic depression, trade depression, and agricultural depression; and all these facts, whatever the causes, have been admitted by the Honourable the Finance Member himself. When he comes here, therefore, it is up to him to come forward and say what the specific reasons are for all these kinds of depression;

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whether it is all due to the financial policy of the Government, or to their artificial currency policy; or to what other specific causes the depression in trade, the depression in commerce, and the depression in production are due.

Lastly, Sir, what shall we go and say to our electors? Shall we go and say that the additional taxation should be cheerfully borne because, during the past year, during the last Session, the Government chose to come down and interfere not only with our economic and political rights and liberties, but even with our religious institutions? Should we give you more money because you imposed on an unwilling people, imposed upon us all, a law which was not of our asking? It was sinful, immoral, absolutely diabolical. Is it for that that you want more taxation from the people? How are Mr. Sarda and his reforming friends going to answer their electors if they are asked why they did support this absolutely uncalled for interference in the religious institutions of the people? Government may not care, but our elected friends will have to give an answer. However worthy your motives I am not concerned with that; that is not what I am asking today. The best of intentions you may have; yet on that ground your reforms cannot be thrust down the throats of an unwilling people. Having done that, you want to impose additional taxation on necessaries. You might impose perhaps additional taxation on luxuries. Excepting the proposed increase in the income-tax rates, all the rest of the new taxes fall directly upon the poor people, upon the masses. Cloth is going to be taxed from 15 to 20 per cent.; sugar, an article of necessity, is to be taxed more. It is annoying even to tax silver more, which, though a minor commodity and not so much a necessity or an article of food, will become dearer to the common people. I repeat why do you tax things which the ordinary people want badly? Why don't you tax articles of luxury? Why do not the heroes and heroines of the Sarda Act pay for their sins, for their silks and soaps and for all their dainties, for their motor cars and cigarettes and things of that sort? Why do you ask the common labourer, the man who has to earn his living by hard work—why do you ask him to pay more for the cloth he wants to cover his nudity with, for the sugar he wants to cheer his crying children with, and for the kerosene with which he wants to light the darkness of his cottage? Is this, according to any moral standard, a reasonable demand to make upon the poor people of any country? I am sorry to read in the Honourable the Finance Member's speech a comparison made of the duties on sugar imposed in other countries. He says it is 11*s.* 8*d.* in England, 10*s.* 3*d.* in America and so on. What is the average income per head in the countries which the Honourable the Finance Member has mentioned, and what is the average income per head of the toiling men and women of the United Provinces and Madras? The Honourable the Finance Member might as well have given the average income per head in England and the average income per head in India. It is easy to show that in other countries (*An Honourable Member*: "Who grows sugarcane in India?") conditions are different. My Honourable friend over there says that India grows sugarcane. Yes; India does grow sugarcane, but even then we want more sugar, we have to import additional sugar.

Therefore, Sir, it seems to me to be adding insult to injury to say that other countries like Great Britain and France levy heavier duties:

they are forced to buy the article; England can afford to pay twice as much as she pays now and France could afford to levy thrice as much duty as she now levies. But India is an agricultural country and can grow her own sugar. With better facilities and with a better industrial policy adopted by the Government, India need import no sugar at all and need not pay any sugar duty at all. It may be all right for rich people to say that this will not affect the poor people to any great extent. I claim to know the facts better. I, Sir, as representing the poor people, am not against any help being given to Bombay if she is in need of it: but in good truth it is not that her present condition touches my heart to any great extent. Let the Bombay millowners suffer a little now; they made a lot of money in the old days and they can afford to put their hands into their pockets a little now when the times are bad; it does not matter to me one bit. After all, everywhere in this world there must be ups and downs; it is inevitable; it is not possible in this world of ours always to be absolutely successful in business; and so, however much we may sympathise with the millowners in their present plight, I do not see why the poor man, who wants to purchase eight yards of cloth or a pair of *dhoties*, should be made to pay more by means of this 15 or 20 per cent. duty, or anything else more than what he pays now, in order that the millowners of Bombay or elsewhere in India should be able to run their mills profitably. I do not see where the logic of it comes in, or the ethics.

It is then said that the hand-loom industry will be benefited by the imposition of this additional duty. What a great concession? What great benefits is the hand-loom industry going to get? Let us consider for a moment what is the production from the hand-loom industry and to what extent this additional duty is going to help it. I really do not know how far this is going to benefit the hand-loom weavers. It is all something like the lamp of Aladdin in the old Arabian Nights.

Therefore, Sir, these baits do not attract me; and I feel it is my duty to enter my very humble protest against what I consider to be the imposition of additional taxation upon the bulk of the people of this country who have not been benefited during the past twelve months by any of the measures that have been adopted by the Government. It has been said "The real remedy is to grant provincial autonomy and then most of these complaints will disappear". But, Sir, I do not believe in this talisman; for what do we find? Have the present reforms put more power into the hands of the people directly? Can the people manage even their own village forests, or village irrigation, or village trades? Have they the power to manage even their own village schools? How has provincial autonomy given any real power to the poor man in the cottage and to the people in the villages to manage their every day affairs? If full Dominion Status is granted tomorrow, and if you give say, to my constituency of 20,000 odd voters, more power, you will perhaps allow them to send one more representative to this Legislature through whose election they will have to pay only more taxes! How is this going to help them? You will tax them still further; the then Finance Member will have to impose more fresh taxation; and the poor man will feel that he has got his reforms at a fairly high cost indeed!

For these reasons, Sir, I consider it my duty to enter my strong protest against the proposals contained in this Budget, and I hope that the very many suggestions that have been placed before the Finance Member will

[Mr. M. K. Acharya.]

be carefully considered—it is not for me to suggest any more—especially in regard to the Military Budget. I hope the Military Budget will be very carefully revised; it has been already pointed out that, in the normal course, there should have been a saving of between 4 and 5 crores in the military expenditure alone. If that had been effected, justice would have been done; equity would have been done, and the need for fresh taxation would have been avoided. In regard to other items of expenditure also there have been many items which have been pointed out to the Finance Member where he could bring his shears into operation against the enormous expenditure in various departments. I say, Sir, it is high time that some such thing was done. If the Finance Member had done that, and then said to us, "I have done my best and cut down expenditure as much as I could possibly do; give me a little more money to carry on", then perhaps we could consider the matter more sympathetically. If he does this next year—I do not know which of us will be here then and which not—then perhaps the matter will be considered more favourably.

For all these reasons, Sir, I feel that the average man whom I represent cannot at all feel thankful to the Finance Member. Every department has got to be carefully scrutinised before any additional taxation is imposed. It is our plain duty to oppose all proposals for fresh taxation, even though we may sympathise with Bombay and with other centres where mills are operating, and although Bombay may have good reason to support those proposals. Somebody pointed out, that if you impose additional duty against Japan, Japan may be forced to exclude your rice; and then what will you do? I have been told that already there is some such proposals for retaliation against India, and I would not like to invite retaliation at the hands of Japan in order to please Lancashire.

I hope these and other objections will receive full consideration at the hands of the Finance Member, and that he will answer them in a perfectly candid manner before he expects any vote from those who, like me, represent, not the millowners, not the capitalists, but the average man in the street.

Mr. Kikabhai Premchand (Bombay: Nominated Non-Official): Sir, as a member of the business community, which is so vitally interested in the administration of the finances of this country, and in the fiscal policy pursued, I rise to give my support to the Budget under consideration. The first point which emerges from a careful study of the Budget is that the financial position of the Government of India—I will not say the financial embarrassment, for that is too strong a word—arises from causes not directly of its own making. If the Government had not been so anxious to relieve the provinces of the burden of their contributions under the scheme of 1919, they would have been in a position of substantial financial ease.

Mr. B. Das: On a point of order, Sir. Can a nominated Member speak on behalf of the provinces?

Mr. Kikabhai Premchand: World forces have worked against realising the anticipation of a normal growth of revenue to fill the gap caused by these remissions. But we have this consolation; the funds transferred from the Central revenues to those of the provinces have brought relief to administrations faced by the great growing heads of expenditure, and

if they have not in all cases brought ease, they have strengthened the position in the provinces, and made it possible to deal more effectively with the great nation-building agencies which are their principal responsibility. We have to face the consequences of this courageous policy, and the direct result is that the Government of India undoubtedly need additional sources of revenue.

With one qualification, I am in agreement with the proposals to raise this additional revenue. The increase in the revenue duty from 11 to 15 per cent. on imported cotton piece-goods is a wise and equitable measure. It is only right that this great head of imports should bear a fair proportion of the general tariff, which furnishes the principal source of revenue. The addition of a special protective tariff of 5 per cent. for three years on all plain grey goods from outside the British Empire, has also my support. The claim of the textile industry, and particularly of the Bombay mills, to a stronger measure of protection has been amply substantiated, and a sigh of relief went up when it was decided to impose it without further inquiry. The textile industry is weary of inquiries, and the depression which is so pronounced a feature of our industrial position would have grown disastrously deep, if, instead of help, Government had offered it another committee. The special difficulties of the Bombay industry spring not only from foreign competition—severe as that is—but from a long series of labour disputes in which the operative class has stubbornly resisted every attempt to reorganise labour conditions in the mills, or to secure a better return for the wages paid. The industry stands in clamant need of breathing time. The proposals of Government offer it, and in conditions which impose on the industry the imperative duty of proceeding rapidly with those measures to cut out the dead wood, to rationalise production, and to establish co-operative buying and selling, which are by common consent necessary to secure permanent health. I only wish, Sir, to endorse the principle underlying the duty—that it is a barrier behind which the industry must effectively reorganise itself, or the justification for the shelter will cease to exist.

There are certain features of a protective duty of which this House, as the guardian of the interests of the whole community, must take account. The first essential is that it shall be effective—that it must so stimulate internal competition that the burden thrown on the consumer is only temporary.

That need is fully met in the proposals before us; the new duties will fully safeguard the industry against the foreign competition which threatens to crush it. The second essential is that the protective duty shall not press unnecessarily on the consumer. The imports which most directly compete with the Indian mills are plain grey goods from outside the British Empire; the direct competition from Empire goods, textiles, is small, and is amply met by the increase in the general tariff. No good case has been made out for this protective duty on Empire textiles, and therefore there would be no justification for taxing the community in respect of them. I am quite aware that this differentiation is a form of Imperial Preference. I am not afraid of the term; on the contrary, I am strongly in favour of the principle when it can be applied without detriment to the interests of India.

I would invite the careful attention of this House to policies which are gathering strength in the great industrial countries. Not only is rational-

[Mr. Kikabhai Premchand.]

isation and consolidation proceeding apace in the production of manufactured goods, and the combination of vast interests in selling organisations; but combination is now developing in the control of the purchase of the raw material. India as a great exporter of many raw products is vitally interested in this development. We see it at work today and not to our advantage, in the important trade in ground nuts, where prices are largely governed by one great corporation. In this intense struggle we stand to gain immensely from a special position within the vast orbit of the Commonwealth if we share in the schemes for the development of the Empire as a single economic unit, which will give our produce a privileged position in these huge markets. Both because it is specially applicable to the particular proposals before us in relation to the textile industry, and because of the much larger interests I referred just now. I welcome the introduction of Imperial Preference in this scheme of duties. I am convinced that it is to our present and future economic and political advantage . . . . .

Mr. B. Das: Certainly not.

Mr. Kikabhai Premchand: The raising of the sugar duties will not be felt at a time when prices of this commodity are so low and should give a further stimulus to the indigenous production.

The silver duty is a timely one, not only because of revenue, but because it will raise the value of a commodity in which the savings of the people are so largely invested. When this duty was part of our fiscal system, it was not felt by any one, and there is a special justification for its restoration now when large classes have been affected by the decline in values. The decision of the Finance Member to take into account world conditions in any disposal of surplus stock is a matter for great satisfaction. Silver producers have shown no special tenderness to India's interests in the past and should deserve no special consideration from us now. We should be prepared to take our part in the stabilisation of world prices, but not to take isolated action to our detriment; the interests of India must come first.

I should, however, enter my protest against the proposal to raise the income-tax and super-tax at this juncture . . . . .

Mr. B. Das: Why?

Mr. Kikabhai Premchand: I will tell you why. In doing this, I would not have it thought that I have any particular consideration for the income-tax and super-tax payers, or am insensible to the truth of the general proposition that there must be a fair adjustment between direct and indirect taxes. My objection is based on other grounds. The greatest need of India at the present time is, and will be for many years to come, an abundant supply of liquid capital. Speaking broadly, I think it is true to say that indirect taxation is drawn from capital which is not liquid; it is money which would otherwise be spent in various directions instead of finding an outlet in investment. On the other hand, income-tax and super-tax are drawn from a supply of liquid capital which is always inadequate to our requirements. For this reason, I think it is most inopportune to raise these taxes at such a juncture. The estimated yield from these taxes almost exactly balances with the surplus provided in the Budget. I should press the Finance Member to reconsider this proposal and take the risk of a balanced Budget rather than to aim at a surplus. But although there are signs that the clouds are lifting, the outlook is still too uncertain

to justify any risks. I claim, however, that the necessity of strengthening the supply of liquid capital outweighs the possible benefit of adding to the resources of the Provincial Governments if a surplus is realised, and would ask the Finance Member for an assurance that, if all goes well, he will treat these taxes as a temporary impost and remove them next year if the financial situation justifies it.

Most of us here who have any knowledge of the intricacies of finance will share the regrets the Finance Member has expressed that, under the present system, the Government have to bear the brunt of capital and exchange transactions, which in other countries are borne by the Central Banks and other institutions. That is the price we have to pay for the rejection of the scheme for a Central Bank. I believe that, until the need is supplied, our financial organisation will be defective.

There has been criticism of the terms of the recent loan in London and of foreign borrowings generally. I cannot subscribe to them. Indian credit sustained a great set-back, partly from world conditions and partly from the foolish talk of repudiation of the national obligations by certain elements in this country. It was essential to restore that credit and it has been done. True, the terms of the loan were stiff; but it is for a short term. If the measures taken were to be effective, a striking dramatic success was imperative and that was accomplished. The heavy over-subscriptions to the loan induced a greater feeling of confidence all round, which at once reacted on the values of all Indian securities. If we set the gain from this appreciation affecting an enormous body of investors against the rather high interest on the new loan payable for a few years, then it will be seen that the benefits immensely outweigh the disadvantages.

I cannot share the view that borrowings abroad are bad in themselves. There are large capital resources in the country, but they do not always meet our requirements. Whilst it is a sound policy, not unnecessarily to add to our foreign debt, it is not wise to retard productive works out of undue deference to this principle. There have been larger-purchases of India's foreign debt of recent years, and I think it is sound practice to have recourse to the London market when our own is inadequate to requirements, and to leave the Indian capital free for investment in industrial enterprises.

There has been some criticism against the issue of Treasury Bills in India. Wisely administered, they play a useful part in our financial mechanism. They help Government in controlling the credit situation, in obtaining sterling remittances, and in providing a means of short-term investment and so checking seasonal fluctuations in Government securities. They also act as a financial balancing reservoir in times when there is no demand for money, and effect a truer approximation between the Bank and the market rate in the slack season. The money market does not therefore look upon Treasury Bills with disfavour so long as they are issued at the proper time and give a reasonable yield.

I believe that Government have acted wisely in drastically reducing their capital commitments. The security market, like the mill industry, stands in need of breathing time. The curtailment of the capital programme, requiring only Rs. 7·4 crores of new money in the coming year, will exercise a tonic effect. Our railways and other public works will not, in the long run, be worse off for having to draw in their horns a little and

[Mr. Kikabhai Premchand.]

to exercise rigid control over new works; the money will come in time and probably in the long run be spent to better advantage.

Surveying the financial scene in India today, I think we may say that it is brighter already for the Budget before us. There is a greater feeling of confidence abroad and confidence is the life blood of commerce and industry. Our great national manufacturing industry, the spinning and weaving of cotton, breathes more freely and faces the future with a more assured confidence. Whilst therefore there is need for caution and prudence, on the whole, we face the future in far better heart than seemed possible a month or six weeks ago. There is only one cloud on the horizon, and that is bigger than a man's hand. It is the threat of repudiation of the national obligations that is in the air, combined with the revival of that form of lawlessness which is called non-violent disobedience. I do not now want to introduce politics into this discussion; my interest is in the business side of the Budget. The foundations of business, and of the industrial and commercial structure, which is of such vital importance to all sections of the community, is confidence, confidence in the sanctity of contractual obligations, whether national or private, confidence in the rule of law. Neither can be sapped without disastrous consequences to the welfare of the whole community. In this matter I look far beyond the immediate present. I try to visualise the India which has won responsible government and Dominion Status in the Empire. What will be the position of those charged with the immense responsibilities for the governance of this land if they have to build on a foundation of lawlessness? None can say what the year before us will bring. We do feel that the outlook is brighter than we dared hope and that the Budget before us has contributed to that end. But we feel equally that these hopes can be realised only in an atmosphere of confidence and respect for law, and I express the strong hope that the Government will see that the law is respected, by whomsoever it may be challenged, and that in this duty, they will have the support of all responsible elements in the country. Only along this path can we win the goal we have set before us.

Mr. W. Alexander (Madras: European): I wish to congratulate the Honourable the Finance Member on the Budget presented, and particularly on the way in which he has tackled a situation full of great difficulty. No one likes fresh taxation or any kind of taxation, but there are, as stated, indirect advantages in each new item of increase in this Budget. Now, as regards income-tax, with an increase of one pie in the rupee, well, there are cases worse than ours. We are now hearing of a Budget shortly to be introduced in another country in which it is said that income-tax is likely to be increased to the extent of about the equivalent of 5 pies per rupee. However, my Honourable friend, Sir Hugh Cocke, has dealt with the various items of the Budget. I only propose to speak with regard to the cotton duties, and I would like specially to refer to the changes which it is proposed to make in those duties. In the call for additional revenue, and also owing to the parlous state into which the mill industry in Bombay has fallen, the necessity for some increase is quite clearly seen. It would not be of any assistance at present to go into all the causes which have brought about this mill trouble. In the Simla Session of 1927, we had long debates on this question, and turning them over today, one wonders if there was a word left unsaid as to all the unfortunate circumstances

surrounding the industry in Bombay. Today the urgency of the case is so very great that I feel called upon to press a point or two in respect to the means which are now being adopted, or which it is proposed to adopt, in the effort to bring this Bombay industry back to the state of prosperity it used to enjoy.

First, there is the question of finance. No doubt, in certain quarters in Bombay, reserves have run down or become depleted, but it is also a fact that there are large resources left, and that with those resources pooled, and the necessary assistance from outside, there should be enough finance available to carry the whole thing through. It has been done and is now being done elsewhere and can surely be done in Bombay.

What I am more concerned about, is the prospect with regard to reorganisation, the rationalisation of this industry, which means as described by a well-known authority:

"The attempt to adjust the means of production to the probable means of consumption and so to regulate prices that, instead of curves rising and falling like the contour of the Alps, there should be a fairly level roadway of prices along which trade and commerce may move. In this way the consumer of any material may base his own estimates for future years and the standard of living of peoples may be established with some degree of certainty."

Here is an outstanding instance in actual working. Over 75 per cent. of the entire wheat production of Canada is now sold through one co-operative pool, linked in turn with a similar organisation in Australia, and with combinations of farmers in America and Argentine. But there is no need to go so far afield. So long ago as before the War, in Britain, there were a number of industrial groups, some of them with as many as 70 and 80 different concerns linked up in the arrangement and covering a greater capacity than all the mills in Bombay put together. I have no wish at this time to criticise Bombay, but I must say that I cannot understand why they were not working out their salvation at that time. I am talking now of the years when some of those Home groups were constructed, the years of 1908 up to the time of the War. And this more particularly as Bombay was then, and is now, placed in a more favourable position to carry out such schemes, through contiguity. Some of the groups of which I have been speaking have concerns in them working at a great distance apart, say, 200 or 300 miles, whereas in Bombay one could cover all the mills with a pocket-handkerchief, so to speak. So, in that way Bombay is very favourably placed, but unfortunately she has never taken advantage of it.

Sir, what I fear is this. I fear that the changes necessary to bring about the reduction of the cost of production will not be properly faced, and that there will be fear and shrinking in the same way as a patient shrinks from an operation, which may mean life or death. It is not an easy matter. In the comparatively short history of some of those British industrial groups, works have been rebuilt three or four times, always with a view to reducing the cost of production and the results of those changes have been successful.

Now, Sir, the days of secret systems and processes in regard to industrial organisation and manufacture generally are over, and it should be quite possible for the Bombay mill interests, in this great question of the rationalisation of the industry, to get on the absolutely right course to pursue. The only question is, will they take it? Will they do it? There is a tremendous amount depending on that. I do not like to contemplate the

[Mr. W. Alexander.]

other side of the picture, but if they pursue the right course, as I sincerely hope they will, then there is very little doubt that they will win through.

There is another matter to which I would like to refer. For some time past there has been considerable anxiety in certain districts among the hand-loom weavers, through doubt as to the possibility of an increase in the yarn duties. That doubt and anxiety have now been removed, and whatever may be said regarding other controversial points in this Budget, Government have the satisfaction of knowing that they have earned the thanks and deep gratitude of the hand-loom weaving community. They number about six to seven million people throughout the country and have been described as "the most inarticulate, the poorest paid, and withal the most industrious people in the country". I only hope that it will be possible, before long, to entirely abolish those cotton yarn duties which have been condemned by the Fiscal Commission, the Tariff Board, and by every reputable authority who has gone into the matter and fully understands the implications attached and the evil of taxing a half-manufactured article. Now that Government are proposing to adopt a more constructive economic policy than in the past, I trust this may be one of the first questions to receive consideration.

I have said nothing with regard to the differential 5 per cent. duty, but I would like to point out to my Honourable friends that this duty is primarily aimed "to help a lame dog over a stile". I have no intention of preventing that lame dog from getting over the stile if it is possible to assist him. All I would say is that, having regard to this question of Imperial Preference, I hope the lame dog who happens to be 15/16ths Indian will also be considered.

Mr. B. Das: Sir, when I heard my Honourable friend from Bombay, while he was reading out his speech, I thought it was as though I was listening to the columns of the *Times of India*.

Sir Hugh Cocke: Is the Honourable Member referring to Sir Purshotamdas Thakurdas?

Mr. B. Das: I am referring to his friend Mr. Kikabhai Premchand. When I read the minute of dissent by Mr. Kikabhai Premchand on the Central Committee's Report, I also thought it was as though I was reading from the columns of the *Times of India*. However, he has tried to represent the provinces. I do not know if the other Back Benchers on the Government Benches, who are the representatives of the provinces, agree with the remark that the Government did not act rightly in abolishing provincial contributions. If the Back Benchers on the Treasury Benches, who come from different provinces, will support the dictum of Mr. Kikabhai Premchand, I am very much afraid that they will not have to go back to the provinces, but will have to remain with the Central Government.

Sir, the most outstanding issue of the Budget speech of this year is the message which the Honourable the Finance Member has transmitted from the British Cabinet. He wanted us to treat it as an important factor. Sir, I would like to treat it as an important subject, but I would ask him to transmit a message to the British Government that, when India becomes an equal partner in the British Empire, by this time next year, I would like to discuss this very subject on its own merits. I will then be in a

position to discuss whether preference can be given to the United Kingdom—it is not the British Empire, but the United Kingdom. The Honourable the Finance Member, during his short stay in India, may know and must know, that we Indians are very gentlemanly and very hospitable, and when we call somebody our friend, we like to extend our friendship to him. It is in this light that I would like him to transmit a message to the British Government.

Sir, my Honourable friend, Mr. Birla, gave an interview to the Press and said that Imperial Preference has come in by the front door. That is also the view on this side of the House. None of us on this side will tolerate Imperial Preference in any shape or form. Sir, four years ago when the Steel Protection Bill was being considered, I was the first man on this side of the House who damned Imperial Preference. (Hear, hear.) Thereafter, whenever Imperial Preference has been introduced through the backdoor, we on this side have condemned it to our heart's content, in spite of Government carrying it through the support of my friend, Mr. Kikabhai Premchand, and others who are sitting on the Treasury Benches. Sir, my friend, Mr. Kikabhai Premchand, waxed eloquent and said that the trouble of the Bombay mills has come through the labour trouble. I wish he had attended the annual meeting of the Federation of Indian Chambers and heard the President of that Federation, Mr. Birla, when he spoke about labour and its contentment. Why did not my Honourable friend, Mr. Kikabhai Premchand, who, I understand dabbles in stocks, tell the House about the over-capitalisation of the Bombay mills by the millowners? However, we will get ample opportunities to discuss this problem when we consider the Bill that will come up before the House shortly. It is no use laying the whole blame on labour. The capitalists are to be blamed for their mismanagement and for their great greed in the past.

I will just speak one word about my Honourable friend, Sir Hari Singh Gour. While he was speaking, he condemned lukewarmly the principle of Imperial Preference, but he wanted that somehow we should offer a bribe to the British Government, because three or six months hence, we are going to meet at the Round Table Conference. Sir, I am not one of those who will offer any bribe to anybody, and I want to meet on equal terms, at the Round Table Conference, the Members of the British Cabinet and the British delegation. If we cannot come to a settlement, we want to retire honourably, and then I will decide whether I will not join the movement of civil disobedience which my Honourable friend, Mr. Kikabhai Premchand, had the audacity to condemn on the floor of this House.

4 P.M.

Now, Sir, I must speak one word congratulating the Honourable the Finance Member for his bold courage in taking stock of the present financial condition of India. He diagnosed well, he did very well in pointing it out, but so far as the cure he has suggested is concerned, he has gone about it wrongly. The cure he suggests is certain taxation, Imperial Preference or protective duties; that is not a proper cure. Sir, it was given out in the budget speech of the Honourable the Finance Member that Mr. Jukes would be the Retrenchment Officer to look into the retrenchment of civil Departments and of civil budgets, and see if they are capable of any retrenchment. As everybody knows, on the civil side, there can be very little retrenchment unless it is abolition of the post of a *chaprasi* here or a clerk there. On the civil side, there cannot be any real retrenchment.

[Mr. B. Das.]

When I spoke on the Railway Budget, I said there should be a Retrenchment Committee to see whether the heavy increase of expenditure to the tune of 10 crores which has grown up during the last five years, could not be reduced. I realise, Sir, that the Railways, irresponsible as they are, do not want to give the Honourable the Finance Member any extra share of their surplus profits. Therefore, they go on spending large sums of money, as much as they like, in the working expenditure, in repairs and maintenance, which the railways would not be spending if they were under the direct administration of the Honourable the Finance Member. Although certain Honourable Members of this House differ from me, I still maintain that there should be direct control of the Honourable the Finance Member over the Railway Budget. I do not think Mr. Jukes can put his finger into the pockets of my Honourable friend, Mr. Young, who has got too much, though it has been reduced by 80 lakhs this year. Still he has got too much money and can well afford to part with some crores. There should be a Retrenchment Committee appointed. It is no use appointing a Special Officer for this purpose, especially one who is on the point of retirement, and who has, for over thirty years, been trained in the spirit of the Civil Service and their clamour, to which we are all so accustomed. He cannot very well point out or lay his finger where the mistakes lie. After all, how much can he show as retrenchment? There must be a Committee and that Committee should go into the railway head, into their finances and into the military account, and also they will have to lay their fingers especially in places where the military expenditure lies concealed in the expenditure on the civil side and also the railway side. I will point out two or three heads where expenditure, which properly belongs to the military side, has been shown in the civil side. There is expenditure of so many lakhs on radios, so many lakhs in aviation and so many lakhs on broadcasting and so on. We do not want all these luxurious hobbies of radios or broadcasting or aviation in India at present, especially because India is a very poor country. We can very well abolish those departments. Then, there is that other department—meteorology, the expenditure on which is growing every year and which properly speaking should come under the Military Budget. If it is a military expenditure; let it be charged to the military head, and let the 54 crores and odd of the Military Budget cover that expenditure. Then, there are also certain hospitals and scientific departments and institutions which purely come under military expenditure, but they are still being charged on the civil side, and the Honourable the Finance Member cannot find the money to meet the civil expenditure. Lastly, I need not once again point out the special concessions in rates and freights given to the Army.

Sir, much has been said about taxation, and I do not want to touch that on silver, the abolition of which has been well supported from this side of the House. I will say one word about kerosene. If Government need this taxation on kerosene, why this differential treatment, why not equalise the tax on kerosene? The money that is invested in Burma is purely British money, it is not Indian money and we also know about the agitation that has been going on for the last three years regarding the separation of Burma from India. Why should we give the British capitalists in Burma an advantage over other oil-producing countries?

Next I want to touch upon this preferential duty a little. My Honourable friend Mr. Alexander said that the hand-loom weavers would not be affected. Sir, I am sorry to hear that. I will prove, when the occasion comes, on the floor of this House, that the hand-loom industry in certain provinces happens to produce 40 per cent. of the cloth that is used in those provinces, My Honourable friend, Mr. Gaya Prasad Singh just tells me about Bihar and Orissa, where it is so. Then, Sir, when my Honourable friend, the gallant Baronet, Sir Victor Sassoon pleaded so much for the cotton yarn protective duty, everybody agreed that it should be for three years. Now by the back door, it is going to be extended for six years. If the Honourable the Finance Member needs a little more money, he had better double the income-tax or the super-tax. He should not kill the hand-loom weavers, who are six millions in India, while the mill hands are only four lakhs and a half. Another thing that I want to remind the Honourable the Finance Member of is this, when the Government passed the Cotton Yarn Protection Bill, what did Japan do? Did not Japan put an embargo on the import of Indian rice to Japan? They thought of doing so and also on pig iron, as my Honourable friend, Mr. Neogy, reminds me. If you want us to fight, you had better create some quarrels with the European nations or with America. Why do you create this quarrel with an Asiatic nation? We want to be in perfect amity with Japan. Why this differential treatment of Government to help either my Honourable friends from Bombay or to help the Government Treasury? Why do you want to bring about this difference between India and Japan? We do not want to have any quarrel with Japan in whatever shape. We want to remain in peace and friendship with Japan.

Then my Honourable friend, Sir George Schuster, himself has alluded to the drop in the world prices of commodities. How is it then that he has not taken any steps to abolish the Lee concessions? The Civil Services clamoured in 1922 for concessions because of the rise in prices. Now the prices have dropped. Why don't you reduce these concessions? The Honourable the Finance Member will thereby get a reduction of several lakhs—I do not know if it will not be crores—in his expenditure. I know the Anglo-Indians on the railways have even secured them and even some of them are still clamouring for these Lee concessions, on considerations which only the Departments know, and which we cannot solve on this side of the House. That is my suggestion to the Government whether a Retrenchment Committee tackles the problem or whether Mr. Jukes examines the question of retrenchment, that is, whether the time has not come to reduce these Lee concessions owing to the drop in world prices of commodities.

My Honourable friend, Mr. Acharya, spoke of the hardship of the tax on sugar. It might have been worse, the salt-tax might have been doubled. In that case, the whole country—I do not refer to special constituencies from which my Honourable friend Mr. Mody and others come, for they need not have any fear in this matter—in the case of other constituencies, there would be a huge uproar. I have, however, every sympathy with the Honourable the Finance Member, because he is only trying to ease the burden of legacy received from his predecessor, Sir Basil Blackett, who reduced the earning power of the people of India. Then he is also suffering from the action of the predecessor of Sir Basil Blackett, namely, Sir Malcolm Hailey, who left India, Indian industry and Indian conditions in such a miserable state by dabbling in high finance, that his successor after seven or eight years is feeling the pinch of it. I know Sir George Schuster

[Mr. B. Das.]

will have to find money to meet the budget demand, but when he said that he was putting all these taxations in order that he might have a little accumulating surplus for preparing the way for a more generous allocation to the provinces of sources of revenue for nation-building services,—a most pious speech—I believe my Honourable friend wrote this when he was probably thinking of his discussions in London with Mr. Layton and others who were hatching the Simon Seven's Report. In this respect I will pay one word of tribute to the Central Committee, although I do not see eye to eye with all their recommendations. They have said that Salt, Income-tax and Customs should be provincial revenues. I whole-heartedly support that. I aspire to see soon Orissa made a separate province and I whole-heartedly support the idea that Salt, Income-tax and Customs should be provincial revenues. I was glad that that bit of common sense dawned on the Central Committee when they wrote that.

My Honourable friend, Sir George Schuster, is putting in money to be spent on new grants. I will refer to one grant particularly, the appointment of Trade Commissioners. I will welcome it. We have demanded it for the last three or four years; but if it only means that the cadre of the Indian Civil Service posts is to be increased and Indian Civil Servants will get these posts, we on this side of the House will oppose this grant completely. There will be enough Indian commercial men to fill the Indian Consular Service when it is recruited to its full cadre. It seems that there is an unholy alliance—of course Sir George Schuster is not a party to it because he does not belong to the Indian Civil Service—to send away Indians of the Civil Service abroad and thereby to replace that number by European Indian Civil Servants, so that Europeans might more and more get recruited into the Indian Civil Service I strongly condemn that, and if it going to be the Indian Civil Service, I will oppose it in due course.

Sir, we on this side clamour for protective tariffs. Protective tariffs have become a windfall to the Honourable the Finance Member for the last four or five years. As I said last year, in the memorandum of the Finance Department which was submitted to the Simon Commission, it was mentioned that 20 crores had come from the steel protective duties alone to the pockets of the Finance Member. At that time we suggested that this money, realised from the protective tariff, should be put away for nation-building work, but it has not been done. Again, there are always clamourers, whether it is the Bombay millowners or glass manufacturers, they all want protective tariffs. That means so much money put into the coffers of the Finance Member. My suggestion is that, if the Finance Member wants to build up the nation-building departments, from this year any money collected under the protective tariffs should be set aside for nation-building departments and should be allocated at a later date, to the different provinces.

Mr. President: I had expected that Honourable Members who can speak with authority on the condition of the Bombay mill industry would participate in this debate as early as possible, but none of them rose today, and if they do not get an opportunity hereafter they must thank themselves.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 5th March, 1930.

LEGISLATIVE ASSEMBLY.

Wednesday, 5th March, 1930.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

QUESTIONS AND ANSWERS.

EMPLOYEES DISCHARGED FROM THE EAST INDIAN RAILWAY.

444. ***Maulvi Muhammad Yakub:** Will Government be pleased to state how many railway employees on the East Indian Railway, Moradabad Division, were served with notice under paragraph 2, or otherwise discharged after an inquiry was made by Mr. Hayman, Member, Railway Board, in August last? What were the charges against these persons and were they given charge sheets under the rules and afforded an opportunity to explain their cases? If not, why not?

Mr. A. A. L. Parsons: The information will be obtained and supplied to the Honourable Member.

Maulvi Muhammad Yakub: Will the Honourable Member supply the information on the floor of this House or put the papers on the table of the House?

Mr. A. A. L. Parsons: I will consider that after I have got the information.

Maulvi Muhammad Yakub: Are Government aware that the information which is supplied privately to the Members does not come to the record and afterwards we do not find any trace of it in the proceedings of the Assembly? (Hear, hear.)

Mr. A. A. L. Parsons: We always place copies in the Library.

Maulvi Muhammad Yakub: Are Government aware that they are not printed in the proceedings of the Assembly and the public does not get any information about those communications? (Hear, hear.)

Mr. A. A. L. Parsons: They are certainly not printed in the proceedings, but copies are placed in the Library.

Maulvi Muhammad Yakub: Are Government aware that the public cannot go into the Library of the Assembly to read the answers?

Mr. A. A. L. Parsons: Yes.

PROMOTIONS ON THE EAST INDIAN RAILWAY.

445. ***Maulvi Muhammad Yakub:** How many Station Masters, Traffic Inspectors, Loco. Foremen and Fitters-in-charge were promoted to the posts of Assistant Superintendent Transportation, Assistant Superintendent Commercial, and Assistant Superintendent Power, during the last three years and how many of them were East Indian Railway officers and how many old Oudh and Rohilkhand Railway officers?

Mr. A. A. L. Parsons: Three subordinates of the East Indian Railway were promoted to the superior services during the three years 1926-27 to 1928-29. Two of them belonged to the (old) East Indian Railway and one to the (old) Oudh and Rohilkhand Railway.

PROMOTIONS ON THE EAST INDIAN RAILWAY.

446. ***Maulvi Muhammad Yakub:** Is it a fact that Messrs. J. C. Mossely, Station Master, Moradabad, and Elias, Traffic Inspector, Lhaksar, officiated as Assistant Traffic Superintendent, before amalgamation, but after the amalgamation their juniors belonging to the East Indian Railway were promoted over their heads?

Mr. A. A. L. Parsons: With your permission, Sir, I propose to reply to this and the next question together.

I am making inquiries from the Agent, and will communicate with the Honourable Member on receipt of his reply.

PROMOTIONS ON THE EAST INDIAN RAILWAY.

†447. ***Maulvi Muhammad Yakub:** Is it a fact that Messrs. Ramsingh, Bashir-ud-din and William Haney, drivers, officiated as Loco. Foreman and Shedman-in-charge before the amalgamation for many years, but after the amalgamation when the post of Assistant Running Shed Foreman was newly created none of them was promoted to that appointment and their juniors from the East Indian Railway were appointed as Assistant Running Shed Foremen over their heads?

Maulvi Muhammad Yakub: The same supplementary question, Sir. Will this information be put on the table of the House?

Mr. A. A. L. Parsons: The same supplementary answer, Sir. (Laughter.)

TRAINING AND APPOINTMENT OF RAILWAY ACCOUNTANTS

448. ***Khan Bahadur Sarfaraz Hussain Khan:** Will Government please say:

(*a*) what the total expenditure on account of the class for the training of railway accountants in Calcutta has been as compared with the budget estimates;

(*b*) what number of the students of the said class passed the training class examination qualifying for promotion to officiating accountants;

(*c*) if it is a fact that the selected candidates for the training class were given in writing to understand that they would be entitled to become accountants in an officiating capacity on their passing the examination meant for the training class;

(*d*) if it is a fact that none of the passed students of the class has so far been provided for as an accountant;

(*e*) if it is a fact that, in almost all State Railway accounts offices, a certain number of the posts of Junior Accountants are held by such unqualified men who have been taken directly in

†For answer to this question, see answer to question No. 446.

these posts from outside the Railway Departments, besides those unqualified men who were taken over from the civil accounts offices;

(*f*) how many posts of accountants and sub-heads in each railway accounts office are held by men of the two classes mentioned in part (*e*) above who have not so far passed the examination qualifying for accountants;

(*g*) if the answers to parts (*d*) and (*e*) above are in the affirmative, will Government please explain why the taxpayer's money was spent in starting and running the training class for railway accountants when there were no posts of accountants to offer them on their qualifying themselves for such posts; and

(*h*) what steps are now being taken to redeem the promises given to these men of the training class at the time of their selection, as stated in part (*c*) that, on passing the training class examination, their position would improve?

Mr. A. A. L. Parsons: (*a*) The total expenditure incurred on the training class for Accountants at Calcutta up to date is Rs. 86,392 against a total grant of Rs. 94,000.

(*b*) Nineteen.

(*c*) No. They were told that they would be eligible for appointment as Accountants after passing the examination.

(*d*) and (*h*). Yes. None has actually been promoted to officiate as an Accountant yet, but they are all eligible for promotion as Accountants as vacancies occur. In the meantime, they have all been appointed as clerks, Class II, with a minimum initial pay of Rs. 80 a month. This was the only definite prospect that was held out to them on their passing the examination.

(*e*) Yes. This is due to the fact that there was no system of examination for qualifying for promotion as Accountants on the three Company railways which have been taken over by the State within the last few years.

(*f*) It would take time to collect and compile this information, and in view of the answer given to part (*e*) of the question the statistics would serve no useful purpose.

(*g*) At the time the training class for railway accountants was started there was the prospect of a large number of posts of accountants being vacant in the next twelve months. As a matter of fact, forty-eight such posts did fall vacant during these twelve months. Of these, forty-one were filled by men who had passed the subordinate Railway Accounts Service Examination some months before the training class students were available; and seven by clerks who passed the same examination as the training class students but were senior to them in service. The result is that there is no vacancy left for the training class students. They, however, continue to form a Reserve of qualified men available for appointment as vacancies occur.

PROMOTION OF RAILWAY ACCOUNTANTS.

449. ***Khan Bahadur Sarfaraz Hussain Khan:** (*a*) Is it a fact that men of the Training Reserve, started by the Auditor General, on passing

the qualifying examination were not only given the officiating promotion as accountants, but also the benefit of five years of qualified service over their compeers of the regular establishment in the matter of fixation of seniority, and that the same condition of service has been recognised by the Accounts Department in the case of some of those Training Reserve men who were taken over by the latter Department from the Audit Department?

(*b*) If the answer to part (*a*) be in the affirmative, will Government please explain why the same privileges, as were recognised in the case of the Training Reserve, are not extended to the qualified men of the Accounts Training Class?

Mr. A. A. L. Parsons: (*a*) and (*b*). Men of the Training Reserve with the Auditor General had also to wait for vacancies, after passing the qualifying examination. Whilst such men were given the benefit of five years additional service in the grade under the Auditor General, men of the Accounts Training Class have been given a minimum pay of Rs. 80, *i.e.*, they have been fixed as clerks, class II, over the head of all the clerks class III. The question of their relative seniority in class II itself is still under consideration.

NON-STOPPAGE OF FAST PASSENGER TRAINS AT BARARA STATION.

450. ***Mr. Abdul Latif Sahib Farookhi:** With reference to the reply to Lala Duni Chand's question No. 1128, regarding the non-stoppage of fast passenger trains at Barara when the Honourable the then Railway Member promised on the 9th March, 1926, that a copy of the question would be sent to the Agent, North Western Railway, will Government be now pleased to state whether they sent a copy of the question, as promised, to the Agent? If so, when and what action has the Agent taken thereon?

Mr. A. A. L. Parsons: A copy of the question was sent to the Agent, North Western Railway on the 23rd March, 1926. He reports that, in April 1926, five up and five down trains used to stop at Barara railway station. From the 1st March, 1930, four up and six down trains stop at that station.

INFORMATION ABOUT MATCH FACTORIES IN INDIA.

451. ***Sardar Gulab Singh:** (*a*) Will Government be pleased to lay on the table the information promised by the Honourable Member in charge of the Industries and Labour Department, as "being collected" in response to my unstarred question No. 91 of the 20th January, 1930, about the match factories in India?

(*b*) If the required information has not yet been collected, will the Honourable Member please state as to when it will be available at the earliest?

The Honourable Sir Bhupendra Nath Mitra: (*a*) A statement is laid on the table giving the information required as far as it is available with the Government of India.

(*b*) Does not arise.

Information promised to be supplied to Sardar Gulab Singh on the 20th January, 1930, in reply to unstarred question No. 91.

Question by Sardar Gulab Singh.—(i) Will Government be pleased to state how many match factories there are in all in (*a*) British India, and (*b*) the Native States in India, respectively?

(ii) What is the total output of each of these in (*a*) British India, and (*b*) the Native States in India?

(iii) What is the capital invested in each of these?

(iv) How many of these factories are owned by (*a*) foreign capitalists, and (*b*) Indian capitalists?

(v) What are the facilities provided by the State for the encouragement, support and uplift of the indigenous match trade?

(vi) Will the Honourable Member in charge of the Industries and Labour Department please state (*a*) from where the most up-to-date, economic and efficient machinery can be had, and (*b*) whether any such information or literature has freely been given to the public at large through the Press?

Answer.

(i) According to the latest information available with the Government of India, there are 45 match factories in British India and 6 in Indian States.

(ii) The required information is not available for all the factories.

(iii) and (iv). Complete information is not available. A statement is appended showing the names, authorised and paid-up capital of the Joint Stock Match Manufacturing Companies at work in India at the end of each of the official years 1927-28 and 1928-29.

(v) The attention of the Honourable Member is invited to the statement which was placed in the Library of the Legislature in February, 1928, in answer to starred question No. 760 by the Honourable Mr. B. Das.

(vi) The Director of Industries of the Province concerned may be consulted in the matter.

Statement showing the names, authorised and paid-up capital of Joint Stock match manufacturing companies at work in India at the end of the official years 1927-28 and 1928-29.

(Compiled from published reports and special returns received in this Department from the Registrars of Joint Stock Companies).

Serial No.	Name of Company and province where registered.	1927-28.		1928-29.	
		Authorised.	Paid-up.	Authorised.	Paid-up.
		Rs.	Rs.	Rs.	Rs.
	BENGAL.				
1	Aurora Match Factory.	3,00,000	..	3,00,000	..
2	Kishoreganj Match Factory	20,000	..	20,000	..
3	Bengal Match Factory and Saw Mills	5,00,000	12,599	5,00,000	12,599
4	East Bengal and Assam Match Factory	50,000	2,339	50,000	3,004
5	Standard Match Works*	20,000	7,500	20,000	7,500
6	Lucifer	1,00,000	29,580	1,00,000	29,580
7	Islamia Match Factory	20,000	..	20,000	..
8	Jalpaiguri Industries	50,000	11,810	50,000	11,810
9	Bengal Safety Match Works and Medical House	1,00,000	5,948	1,00,000	5,948

*Private.

Serial No.	Name of Company and province where registered.	1927-28. Authorised.	1927-28. Paid-up.	1928-29. Authorised.	1928-29. Paid-up.
		Rs.	Rs.	Rs.	Rs.
10.	Assam Match Company	7,00,000	4,99,925	7,00,000	5,00,000
11	New Sunderban Match Factory . . .	5,00,000	..	5,00,000	10,470
12	Small Industries Development Company (*in liquidation 26th July 1923*) . . .	4,00,000	93,280	4,00,000	93,280
13	Sunderban Match Works (*in liquidation 21th October 1926*) . .	10,00,000	1,13,987	10,00,000	1,13,987
14	Bharat Match Factory (*in liquidation 10th July 1927*) . .	20,000	3,583	..	..
15	Hindusthan Union Match Company . .	..	..	3,00,000	..
	Total, Bengal (excluding Companies gone into liquidation) . .	23,60,000	5,69,701	26,60,000	5,80,911
	MADRAS.				
1	East India Match Company . . .	8,00,000	6,000	8,00,000	19,818
2	Malabar Match Manufacturing Company .	3,90,902	2,17,568	3,90,902	3,47,568
3	South Indian Match Factory . . .	3,00,000	1,83,785	3,00,000	1,85,440
4	Sri Brigannayaki Match Factory (*gone into liquidation on 1st November 1929*) . .	1,50,000	1,962	1,50,000	1,962
	Total, Madras .	16,40,902	4,09,915	16,40,902	5,54,788
	BOMBAY.				
1	Gujrat Islam Match Manufacturing Company	1,00,000	97,070	1,00,000	97,070
2	Belgaum Match Manufacturing Company .	1,00,000	39,880	1,00,000	39,880
3	Western India Match Company* . .	75,00,000	47,00,800	75,00,000	47,00,800
4	Match Manufacturing Supply Company* .	50,000	40,500	50,000	40,500
5	Kemmendine Match Company* . .	3,00,000	91,700	3,00,000	91,700
6	Burma Match Company* . . .	10,00,000	7,31,500	10,00,000	7,31,500
7	Mandalay Match Company* . . .	3,00,000	2,77,510	3,00,000	2,77,510
8	Eastern Match Manufacturing Company .	..	..	2,50,000	..
9	Kurla Match Works* .	..	..	1,50,000	..
	Total, Bombay .	93,50,000	59,78,960	97,50,000	59,78,960

* Private.

Serial No	Name of Company and province where registered.	1927-28. Authorised.	1927-28. Paid-up.	1928-29. Authorised.	1928-29. Paid-up.
		£	£	£	£
1	Swedish Match Company . . .	10,000,000	10,000,000	10,000,000	10,000,000*
	BIHAR AND ORISSA.	Rs.	Rs.	Rs.	Rs.
1	Puri Match Industries Company† . . .	20,000	8,526	20,000	9,095
	MYSORE.				
1	Mysore Match Manufacturing Company .	20,00,000	4,05,310	20,00,000	3,98,260
2	Karnataka Match Factory . . .	..	..	50,000	2,172
	Total, Mysore .	..	..	20,50,000	4,00,432

* Return for 1928-29 not received; figures for 1927-28 repeated.

† Private.

APPOINTMENT OF SIKHS AS SUPERINTENDENTS IN THE RAILWAY MAIL SERVICE.

452 ***Sardar Gulab Singh:** (*a*) Will Government please state:

(i) the total number of Sikh Superintendents in the Railway Mail Service, Northern Circle, Ambala;

(ii) if it is a fact that not a single Sikh has ever been recruited to the above post for several years past?

(*b*) If the reply to part (*a*) (ii) be in the affirmative, will Government please state reasons why such an important minority of Sikhs has so far been ignored and not been represented in this Department so far?

The Honourable Sir Bhupendra Nath Mitra: (*a*) (i). The Railway Mail Service, Northern Circle, was abolished in April, 1929. At that time there was one Sikh Superintendent attached thereto. He is now working under the Postmaster General, Punjab and North West Frontier Circle.

(ii) No. Direct recruitment is made only to the cadre of Probationary Superintendents to which cadre two Sikhs have been recruited in the last five years, *viz.*, one in 1925 and the other in 1928.

(*b*) Does not arise in view of the reply to part (ii) of (*a*).

LETTERS FROM THE KHALSA DIWAN, AMRITSAR, TO THE POSTS AND TELEGRAPHS DEPARTMENT.

453. *Sardar Gulab Singh: Has the attention of the Honourable Member in charge of Industries and Labour been drawn to the letters No. 1492-B of 5th June, 1929, and No. 526 of 26th January, 1930, from the Chief Khalsa Diwan, Amritsar, addressed to his Secretary for the Posts and Telegraph Branch?

The Honourable Sir Bhupendra Nath Mitra: The numbers and dates quoted by the Honourable Member appear to be inaccurate, but I have seen the letters to which I understand he refers.

APPOINTMENT OF SIKHS AS SUPERINTENDENTS OF POST OFFICES.

454. *Sardar Gulab Singh: (*a*) Will Government please state:

(i) the total number of the Superintendents of Post Offices appointed since January 1929,

(ii) if it is a fact that some Muhammadans have been taken merely on the communal basis since then?

(*b*) If the reply to part (*a*) (ii) be in the affirmative, will Government please give reasons why Sikhs were not appointed on these grounds?

(*c*) Is the Honourable Member in charge of Industries and Labour prepared to issue necessary instructions to his subordinates concerned in the aforesaid departments to give special consideration to the claims of Sikh candidates for filling up the said vacancies in future from out of the true and real Sikhs, who not only believe in the tenets of the Sikh Gurus and profess no faith in any other religion, but strictly observe the outward form of the Sikhs by keeping long hair and observing *Raihats*?

The Honourable Sir Bhupendra Nath Mitra: (*a*) The Honourable Member is apparently referring to recruitment of Probationary Superintendents of Post Offices, as vacancies in appointments of Superintendents of Post Offices are filled by promotion of Probationary Superintendents or of qualified departmental clerks. If so, the answers are:

(i) Seven,

(ii) Yes, namely three.

(*b*) No Sikh was considered for the appointments as there was no candidate belonging to that community in the list received from the Public Service Commission of youths who had obtained qualifying marks at the Indian Audit and Accounts Service Examination of 1928 to whom recruitment to posts of Probationary Superintendents is now confined.

(*c*) In making selections for the appointments of Probationary Superintendents of Post Offices in future due consideration will, as usual, be paid to all minority communities provided that qualified candidates are forthcoming. No special consideration can, however, be given to any one community, or to particular sects of a community.

APPOINTMENT OF SIKHS IN THE COMMERCE DEPARTMENT.

455. *Sardar Gulab Singh: Will Government be pleased to state:

(i) the number of (*a*) permanent and (*b*) temporary vacancies that occurred in the First, Second and Third Divisions, respectively, in the Commerce Department, since January 1929, and how many of them were filled by Sikhs;

(ii) if none of the above appointments was given to the Sikhs, the reasons why this important minority was ignored?

The Honourable Sir George Rainy: (i) The following vacancies have occurred in the Commerce Department since January 1929:

	Permanent.	Temporary.
First Division	1	9
Second Division	1	2
Third Division	3	8

A Sikh was taken in one of the permanent vacancies in the Third Division.

(ii) Does not arise.

LACK OF SIKHS IN THE STAFF OF THE DIRECTOR, COMMERCIAL AUDIT.

456. *Sardar Gulab Singh: Will Government be pleased to show cause for the total absence of the Sikhs from the staff of the Director, Commercial Audit, although this irregularity has been brought to the notice of the Department times out of number?

The Honourable Sir George Schuster: I would refer the Honourable Member to the final reply to starred question No. 867 asked by Sardar Kartar Singh on the 25th September, 1929, a copy of which is in the Library of the House. I may add that there are at present 3 Sikhs out of 48 clerks in the Commercial Audit Branch. They were appointed in November, 1928, April, 1929, and December, 1929, respectively, that is, after the issue of the orders of Government regarding the reservation of one-third of all permanent vacancies for the redress of communal inequalities. As I stated in reply to part (2) of Sardar Kartar Singh's question No. 828, on the 24th September, 1929, it is not the policy to earmark any of the reserved proportion of posts as reserved for a particular community nor is there any mathematical ratio which Government have undertaken to maintain between the various communities.

LACK OF SIKHS IN THE STAFF OF THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

457. *Sardar Gulab Singh: Will Government be pleased to state:

(i) the total number of vacancies that occurred in the Office of the Director General of Posts and Telegraphs since January, 1929, and how many of those were filled by Sikhs;

(ii) if it is a fact that there is not a single Sikh in the whole of the staff of that office; and

(iii) if it is so, how do Government justify in not taking up any member of this important minority in that office upto this time?

The Honourable Sir Bhupendra Nath Mitra: (i) Owing to reduction in establishment, no recruits have been entertained in the office of the Director General, Posts and Telegraphs, since January 1929, except one stenographer who is a Madrasi.

(ii) No.

(iii) Does not arise.

APPOINTMENT OF SIKHS IN THE OFFICE OF THE RAILWAY BOARD.

458. ***Sardar Gulab Singh:** (*a*) Will Government please state:

(i) the total number of officers, subordinates, clerks and menials employed in the Railway Board's Office;

(ii) how many of these are Sikhs and in what positions;

(iii) the nature and total number of promotions given to the aforesaid staff since the 1st January, 1929; and

(iv) how many of these promotions were granted to Sikhs?

(*b*) Will Government be pleased to state:

(i) the total number of permanent vacancies that occurred in the Upper, Lower and Third Divisions of the Railway Board Office since January, 1928;

(ii) if it is a fact that not a single Sikh has been given any permanent post in any of the above grades since that time; and

(iii) why this important minority is always being overlooked in spite of the Home Department's instructions for safeguarding all sorts of minority interests?

(*c*) Will Government please state:

(i) the total number of temporary vacancies that have occurred in each of the three divisions of the Railway Board Office, and how many of these were filled up by Sikhs, Muhammadans and Hindus, respectively, since January, 1928;

(ii) if any more Sikhs have been added to their number than already existed in January, 1928; if not, why not;

(iii) if there is a reduction in that number, what were the causes that led to it; and

(iv) in case there is an addition, the number and names of such persons?

Mr. A. A. L. Parsons: I am sending the Honourable Member a statement giving the information required.

APPOINTMENT OF SIKHS IN CERTAIN OFFICES OF THE GOVERNMENT OF INDIA.

459. ***Sardar Gulab Singh:** (*a*) Will Government be pleased to state:

(i) if it is a fact that there is not a single Sikh in the Upper Division of the following offices:—(*a*) Home Department, (*b*) Imperial Agriculture Research Office, (*c*) Assembly Department, and (*d*) the Legislative Department;

(ii) the number of total vacancies that occurred in each of the aforesaid offices, and the respective communities to which the men entertained belonged?

(*b*) Will Government please state if they are prepared to take steps for safeguarding and insuring the interest of the important minority of the Sikhs in case of such appointments in future?

(*c*) Will Government please state if they are prepared to recruit Sikhs from outside, subject to their passing the qualifying examinations, in cases when no qualified Sikhs are available through the Public Service Commission?

(*d*) Do Government propose to take steps to encourage the important minority of the Sikhs by appointing a sufficient number of its members in the aforesaid offices whenever vacancies occur in future?

The Honourable Sir James Crerar: (*a*) (i). Yes.

(ii) I shall be glad to send the information to the Honourable Member if he will indicate the period for which he wants it.

(*b*) and (*d*). I would refer the Honourable Member to the reply given in this House to question No. 563 on the 17th September, 1929.

(*c*) Government do not consider this necessary. The application of the new system of recruitment sanctioned in 1928 will doubtless increase the opportunities of Sikh candidates from outside.

RACIAL DISCRIMINATION AT THE CIVIL AERODROME.

460. ***Mr. Gaya Prasad Singh:** (*a*) Has the attention of Government been drawn to a letter published in the *Hindustan Times*, dated the 20th February, 1930, (page 6) from Mr. Laxmi Narain Gadodia, regarding the alleged racial discrimination and insulting treatment meted out to him on the 16th February, at the civil aerodrome where the joy rides were taking place?

(*b*) What are the facts of the case, and how far was the Aero Club of India and Burma responsible for the arrangements made on the occasion?

(*c*) Is it a fact that the flights given to the wife and child of Mr. Gadodia lasted not more than five minutes each, while the European ladies and gentlemen were given rides that lasted up to ten minutes?

(*d*) What is the total amount of financial or other assistance which the Aero Club has received up to date from Government, and what steps do Government propose to take to put down sternly any tendency to racial discrimination, or improper behaviour in connection with this institution?

The Honourable Sir Bhupendra Nath Mitra: (*a*) Yes.

(*b*) and (*c*). The attention of the Honourable Member is drawn to the letter of the Honorary Secretary, which appeared in the *Hindustan Times* of February 22nd. The Aero Club of India and Burma is not responsible for the flying arrangements on these occasions.

(*d*) The amount paid to the Aero Club of India and Burma up to date is Rs. 52,500. Government have no information that the Aero Club displayed any tendency to racial discrimination, nor can they agree that this incident would justify any such charge.

Mr. Gaya Prasad Singh: With regard to answer to (*b*) and (*c*), has the attention of the Government been drawn to the rejoinder published by Mr. Gadodia in the *Hindustan Times*, dated the 24th February, 1930, in which he calls the explanation of the Secretary "hardly convincing?" (Hear, hear.)

The Honourable Sir Bhupendra Nath Mitra: Sir, that is a question of opinion. I have a recollection that the *Hindustan Times* itself thought that the explanation of the Secretary was satisfactory.

Mr. Gaya Prasad Singh: You are relying upon the opinion of the *Hindustan Times* in support of your answer?

The Honourable Sir Bhupendra Nath Mitra: I am not relying on anybody's opinion. I submitted, to start with, that this was a matter of opinion.

Mr. Anwar-ul-Azim: Does the Honourable Member take his inspiration from the columns of the *Hindustan Times*?

The Honourable Sir Bhupendra Nath Mitra: I do not think that implication arises out of any of my answers.

PROHIBITION OF THE BURNING OF DECEASED HINDUS IN THE BELGIAN CONGO.

461. ***Mr. Gaya Prasad Singh:** With reference to my short notice question of the 18th September, 1929, regarding the order of the Belgian authorities prohibiting the burning of deceased Hindus in Belge Congo, will Government be pleased to state the result of the representation made to His Majesty's Government, and the steps taken to communicate the result to the public, as promised by Sir Denys Bray in his reply?

Mr. E. B. Howell: The matter is still under correspondence with His Majesty's Government.

Mr. Gaya Prasad Singh: When is the decision likely to be arrived at, because it is a grave matter affecting the religious rites and ceremonies of the Hindus in that particular territory?

Mr. E. B. Howell: Government are doing all that they can.

Pandit Hirday Nath Kunzru: Is it a fact that the Government of India communicated their representation to His Majesty's Government by cable?

Mr. E. B. Howell: I cannot remember, but I think they did.

Pandit Hirday Nath Kunzru: Is it a fact that the Government drew the attention of His Majesty's Government to the great urgency of this question?

Mr. E. B. Howell: I must have notice of the details of the correspondence.

Pandit Hirday Nath Kunzru: Has any further communication been sent to His Majesty's Government since the one sent in September last?

Mr. E. B. Howell: Yes, Sir.

Pandit Hirday Nath Kunzru: When was the last communication sent?

Mr. E. B. Howell: Within the last three weeks, Sir.

Pandit Hirday Nath Kunzru: Did Government receive any reply between September and January?

Mr. E. B. Howell: I have already informed the Honourable Member that I would like to have notice of these details about the correspondence.

Pandit Hirday Nath Kunzru: It is not a question of detail. I merely want to know whether the Government have received any reply at all to the communication sent to His Majesty's Government by the Government of India in September last?

Mr. E. B. Howell: Yes, Sir, they have. That is why they telegraphed again.

Pandit Hirday Nath Kunzru: What is the substance of the reply?

Mr. E. B. Howell: I will ask for notice of that.

PROTECTION FOR GLASS MANUFACTURE.

462. ***Mr. S. C. Mitra:** (*a*) Will Government be pleased to state when they received representations from the Indian Glass Manufacturers' Association for protection?

(*b*) What action have Government taken so far?

(*c*) Have Government decided to make any reference to the Tariff Board? If so, when? If not, why not?

The Honourable Sir George Rainy: The Honourable Member is referred to my answer to his question No. 152, dated the 21st January.

SUPERSESSION OF CERTAIN INDIAN MECHANICS.

463. ***Mr. S. C. Mitra:** (*a*) With reference to my starred question No. 291 of the 10th September, 1929, which has been replied through letter dated the 10th December, 1929, to the effect that there is no racial discrimination, will Government please state why Messrs. N. L. Sett and A. Beg were not confirmed along with Messrs. T. E. De Roze, D. Whaley, E. G. Duke, and E. Sylvester on Rs. 160?

(*b*) Is it a fact that all the Anglo-Indians (excepting Mr. T. E. De Roze, who was also taken to the III Grade after only three months of his appointment) superseded the claims of the following experienced Indian mechanics, and if so, why?

Name.	Present salary.
	Rs.
Mr. M. N. Paul	120
„ S. B. Sarkar	90
„ S. N. Ganguli	120
„ N. L. Day	120
„ S. B. Dutta	100
„ S. P. Haldar	110
„ S. B. Chakravarti	90

Mr. A. A. L. Parsons: (*a*) The reason was that there were no vacancies to which they could be appointed.

(*b*) I am obtaining the information for the Honourable Member.

PAY OF MECHANICS IN THE LILLOOAH WORKSHOPS.

464. ***Mr. S. C. Mitra:** (*a*) With reference to the answer to part (*b*) of my starred question No. 291 of the 10th September, 1929, regarding mechanics in the Lillooah workshops, is it a fact that Europeans and Anglo-Indians start with the higher pay while all the Indians start with lower pay?

(*b*) Is it a fact that all Europeans and Anglo-Indians obtain higher marks in examinations than Indians?

(*c*) Will Government please state whether all Europeans and Anglo-Indians are considered, as a matter of fact, better qualified than Indians?

(*d*) If the answer to part (*a*) be in the negative, will Government please state if any Indians were taken in the higher grade at the time of their appointments?

Mr. A. A. L. Parsons: (*a*), (*b*) and (*d*). I am obtaining the information for the Honourable Member.

(*c*) The answer is in the negative.

APPOINTMENT OF APPRENTICES IN THE LILLOOAH WORKSHOPS.

465. ***Mr. S. C. Mitra:** With reference to the answer to part (*c*) of my starred question No. 291 of the 10th September, 1929, regarding mechanics in the Lillooah workshops, will Government please state if they have given effect to their intention to abolish the probationary period in the case of qualified apprentices selected for appointments?

Mr. A. A. L. Parsons: The East Indian Railway will give effect to this intention in all future cases.

APPOINTMENT OF MECHANICS IN THE LILLOOAH WORKSHOPS.

466. ***Mr. S. C. Mitra:** (*a*) With reference to the answer to part (*a*) of my starred question No. 292 of the 10th September, 1929, regarding mechanics in the Lillooah workshops, will Government please state clearly what considerations were made, of men who were already in service, to fill up the vacant posts filled up by the outsiders, Messrs. Alderson, Watson, Lowe, Moslem, Tucker, and Everson?

(*b*) Do Government propose to pass strict orders that at least in future outsiders will not be provided for without making a fair attempt to fill up the vacancies from the Department?

Mr. A. A. L. Parsons: (*a*) The consideration of obtaining persons fully qualified to fill the vacant posts.

(*b*) No; but Government will take up any instances where it comes to the notice that outsiders are engaged to fill vacant posts in the workshops in preference to mechanics in service who are fully qualified to fill them.

APPRENTICES TRAINED IN THE LILLOOAH WORKSHOPS IN 1929.

467. ***Mr. S. C. Mitra:** Will Government please supply the names of the apprentices, Indians, Europeans and Anglo-Indians, who completed their course in 1929, and also the names, technical and general education, and starting salaries of those who were provided for out of them?

Mr. A. A. L. Parsons: With your permission, Sir, I propose to answer questions Nos. 467, 469, 471 and 472 together. Information has been called for and a reply will be sent to the Honourable Member on its receipt.

APPOINTMENT OF APPRENTICES OF THE LILLOOAH WORKSHOPS.

468. ***Mr. S. C. Mitra:** With reference to the answer to part (*b*) of my starred question No. 293 of the 10th September, 1929, regarding apprentices in the Lillooah workshops, will Government please state why the surplus

first grade bound apprentices will not be provided for at Lucknow, Tatanagar or similar workshops on the East Indian Railway when all these workshops are under one and the same head?

Mr. A. A. L. Parsons: Because it is not proposed to keep any apprentice who is surplus to requirements. All trained mechanics, however, are eligible to be considered on application for vacancies in the workshop establishments at Lucknow, Tatanagar or elsewhere.

PROMOTION OF MECHANICS ON THE EAST INDIAN RAILWAY.

†469. ***Mr. S. C. Mitra:** With reference to the answer to my starred question No. 294 of the 10th September, 1929, regarding the promotion of mechanics on the East Indian Railway, will Government please supply the names, dates of promotion and shops concerned of the three Assistant Foremen mentioned therein?

APPOINTMENT OF CERTAIN APPRENTICES OF THE JAMALPUR WORKSHOPS.

470. ***Mr. S. C. Mitra:** (*a*) With reference to the answer to my starred question No. 295 of the 10th September, 1929, regarding the appointments of apprentices in the Jamalpur workshops, will Government please state why Messrs. T. E. De Roze, E. G. Duke and also Messrs. F. MacDonald and D. Whaley were appointed while Messrs. N. C. Chatterjee, N. L. Dass, P. R. Bose, S. P. Mukherji, B. B. Pramanic, P. C. Roy Chowdhury and A. C. Ash—all Indians, were given no appointments?

(*b*) Will Government please explain the reasons?

Mr. A. A. L. Parsons: The Railway Administration explain that those whom they considered best qualified, were appointed.

PAY OF EUROPEAN AND ANGLO-INDIAN MECHANICS IN THE LILLOOAH WORKSHOPS.

†471. ***Mr. S. C. Mitra:** (*a*) Is it a fact that according to the East Indian Railway Agent's Circular Meeting No. 5, Resolution No. 54 of the 11th May, 1927, the scale of pay of the technically trained grade should start at Rs. 110—150? If so, will Government please state why Messrs. T. E. De Roze, D. Whaley, E. G. Duke and E. Sylvester were appointed on Rs. 160?

(*b*) Is it a fact that there is a Circular Meeting No. 5, Resolution No. 54 of the 11th May, 1927, issued by the Agent, East Indian Railway "That in future those of our First Class Apprentices whom it is considered desirable to engage at the end of their apprenticeship shall be appointed as Chargemen T. T. (Technically trained)"?

(*c*) Is it a fact that all Europeans and Anglo-Indians that are appointed in the Lillooah Workshops are not taken in the T. T. grade, as required by the Agent's Circular, but are appointed as mechanics on higher pay?

(*d*) If so, why is not the Agent's said Circular applied so far as Europeans and Anglo-Indians are concerned?

(*e*) If the answer to part (*c*) is in the negative, will Government please supply the names of Europeans and Anglo-Indians who have been appointed in the T. T. grade in the Lillooah Workshops?

†For answer to this question, *see* answer to question No. 467.

POSTS FOR TRAINED APPRENTICES ON THE EAST INDIAN RAILWAY

†472. ***Mr. S. C. Mitra:** (*a*) Is it a fact that to make provision for qualified passed apprentices, the Agent, East Indian Railway, made provision for 20 new T. T. grade posts to be filled up in future from the apprentices as they complete their course from time to time?

(*b*) Are Government aware that all the 20 posts have been filled up all at once from mechanics and that no adequate provision has been left for the apprentices who completed their course and have been provided with posts and also for those who are going to complete from time to time?

COMPLAINTS AGAINST MR. RAM NARAIN, SUPERINTENDENT, NEW DELHI MUNICIPALITY.

473. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) Is it a fact that complaints have been received against Ram Narain, Superintendent, New Delhi Municipal Committee, of maltreatment and accepting bribes from shopkeepers and others? If so, what disciplinary steps are being taken against him to avoid recurrences of the nature?

(*b*) Is it a fact that a general complaint was made against him by the shopkeepers community in 1927 and that a resolution was passed by the Committee against him? What steps, if any, have been taken to stop him from repeating the same offence?

(*c*) Have any steps been taken to get to the bottom of the circumstances regarding the following:

(i) complaints of shopkeepers made to the President, regarding Lala Ram Narain's asking for bribes from them;

(ii) complaints made by Shyam Chand and Dya Chand, shopkeepers, Raja Ka Bazar, made to the Members of the Committee and the Secretary, verbally in regard to his accepting the bribes by cheating them; and

(iii) complaints made by Rai Bahadur Paras Dass against that very person of accepting the bribe of Jamna Dass Murarilal, shopkeepers, Raja Ka Bazar? Were entries in their accounts books signed by the Magistrate, New Delhi, as an Exhibit (P. A.)?

(*d*) Were there dismissals of two of the employees of the New Delhi Municipal Committee, Messrs. Hari Ram and Mirza Ali Beg, without calling for their explanation and without making any sifting inquiry into the facts?

(*e*) Were their appeals considered by the Deputy Commissioner, Delhi?

Sir Frank Noyce: (*a*) and (*b*). Yes. In June 1927 a charge of maltreatment and bribery was brought by certain shopkeepers. This was inquired into and the Committee found that, while Mr. Ram Narain might have been over-zealous in the discharge of his duties, the charge of receiving things gratis was not established. However, Mr. Ram Narain was severely reprimanded and warned. When the post of Tax Superintendent was created on 1st May, 1928, Mr. Ram Narain was transferred

†For answer to this question, *see* answer to question No. 467.

to it and thereby ceased to be connected with the supervision of the shops. In July 1928, another bribery charge was brought against him by two shopkeepers of Raja-ka-Bazar. This was inquired into by the Secretary, New Delhi Municipal Committee, who recorded the statements of the shopkeepers and other witnesses. The case was filed for want of proof.

A further bribery charge has now been brought and was to have been inquired into by a Sub-Committee on the 27th February.

(*c*) (i) and (ii). These were to have been inquired into by the Sub-Committee on the 27th February, 1930.

(iii) The Honourable Member is referred to the reply to parts (*a*) and (*b*). The entries in the account books were initialled and marked as Ex. P. A. by the Secretary of the New Delhi Municipal Committee in his capacity as such and not as Magistrate, New Delhi.

(*d*) Messrs. Hari Ram and Mirza Ali Beg were dismissed after searching inquiries had been made and their statements had been heard by the Secretary, who is empowered under the business bye-laws of the Committee to appoint and dismiss officials drawing less than Rs. 50 per mensem. Mr. Hari Ram's dismissal was upheld by the President.

(*e*) Both have appealed to the Deputy Commissioner and both have been placed under suspension pending further inquiries.

Mr. Abdul Latif Sahib Farookhi: Will the Honourable Member please state whether Ram Narain is in service or is under suspension during the inquiry?

Sir Frank Noyce: I have given the Honourable Member all the information I have at present.

Mr. Abdul Latif Sahib Farookhi: Are Government aware that the other two persons, Hari Ram and Mirza Ali Beg, are under orders of suspension pending the inquiry against them? Will Government please inquire whether the same treatment will be meted out to Ram Narain?

Sir Frank Noyce: I will make inquiries as to his position, but I imagine that from the statement I have already made that he is still in service.

Mr. Abdul Latif Sahib Farookhi: Are Government aware that the Committee appointed to inquire into the complaint made against Ram Narain consists of members who formed the Committee on previous occasions, and who exonerated him from blame? Will Government, in view of that, appoint an independent and impartial committee?

Sir Frank Noyce: I have informed the Honourable Member that I have given him all the information that I have.

CHANGE FOR REVISION OF PAY OF THE OFFICE ESTABLISHMENT OF THE TRUSTEES OF THE BRITISH MUSEUM, CALCUTTA.

474. ***Mr. S. C. Mitra:** (*a*) Will the Government be pleased to state whether the Legislative Assembly in September, 1921, voted a supplementary grant of Rs. 5,000 to meet the additional cost on account of the revision of pay of the office establishment of the Trustees of the Indian Museum, Calcutta?

(*b*) Was it decided at that time that the charge on account of the cost of the establishment of the Trustees of the Indian Museum falls on the Government of India and not on the Trustees of the Indian Museum?

(*c*) Did Government, after careful consideration, sanction, in 1922, a revised scale of pay for the office establishment of the Trustees of the Indian Museum?

(*d*) Was the whole amount of Rs. 5,000 referred to in part (*a*) placed at the disposal of the Trustees or was only the actual amount involved in the adoption of the sanctioned revised scale given to the Trustees through the Pay and Accounts Officer, Miscellaneous Central Departments, Calcutta?

(*e*) Was the balance of Rs. 5,000 thus left, treated as lapsed to Government or vested in the Trustees of the Indian Museum?

(*f*) Are the Trustees of the Indian Museum an autonomous body or have their powers and functions been specified and limited by the Act X of 1910?

(*g*) Do the Trustees of the Indian Museum receive a lump sum grant or an annual grant under three distinct heads, *viz.*, (i) pay of the establishment, (ii) contingencies and (iii) rent, rates and taxes, from the general revenues?

(*h*) Do the Trustees contribute anything towards the upkeep of the Indian Museum?

(*i*) Is the monthly pay of the office establishment of the Trustees of the Indian Museum audited and paid by the Pay and Accounts Officer, Miscellaneous Central Departments, Calcutta, from the specific grant made by the Government of India for the purpose?

(*j*) Was the memorial of the late Head Clerk of the Trustees' Office, Indian Museum, rejected on the ground that he is not a Government servant?

(*k*) If the answer to part (*j*) is in the affirmative, who is a Government servant and what is Government service?

(*l*) Under what clause of the Government of India Act or any other statute does the charge on account of the cost of the establishment of a private employer fall on the Government of India, and how can the general revenues be utilized for the purposes of a private body?

Sir Frank Noyce: (*a*) Yes.

(*b*) No. The decision was taken in 1916.

(*c*) Yes.

(*d*) and (*e*). Only the amount required to meet the extra cost of the revision of pay was given to the Trustees. The balance was treated as having lapsed to Government.

(*f*) The powers and functions of the Trustees are those set out in the relevant sections of the Indian Museums Act X, 1910.

(*g*) Government make a lump annual grant-in-aid to cover charges under the heads mentioned by the Honourable Member.

(*h*) and (*i*). The information asked for is being collected and will be supplied to the Honourable Member when received.

(*j*) Yes.

(*k*) Government servant means any person in the civil service of the Crown in India; whether for the time being in foreign service or not, and Government service means civil service of the Crown.

(*l*) The Honourable Member would observe from entries No. 46 in Part I, and No. 42 in Part II of Schedule I to the Devolution Rules, that the Central Museum at Calcutta is a Central subject and therefore eligible to receive aid from Central revenues.

FRAUD PERPETRATED ON WORKMEN OF THE EAST INDIAN RAILWAY WORKSHOPS AT LUCKNOW.

475. ***Maulvi Muhammad Yakub:** (*a*) Are Government aware that on December 17th, 1929, certain employees at the Workshop No. 8, at Lucknow, East Indian Railway (Carriage and Wagon Shops), found that their thumb impressions were taken on an application which contained statements quite contrary to their wishes, and that when the illiterate workmen came to know of the fraud, which was being perpetrated upon them, they remonstrated and went on strike for a short time?

(*b*) If the facts stated in part (*a*) are correct, will Government be pleased to state what steps, if any, were taken by them against persons who were responsible for perpetrating fraud upon the illiterate workmen? If not, why not?

Mr. A. A. L. Parsons: (*a*) and (*b*). I have called for information from the Agent, East Indian Railway, and will send a reply to the Honourable Member when I receive his report. To relieve the Honourable Member's anxiety, I may say that, in this instance, I shall be prepared to place a copy of the reply, when received, on the table of the House.

LISTS OF STAFFS IN THE DEPARTMENTS OF THE GOVERNMENT OF INDIA.

476. ***Mr. Anwar-ul-Azim:** (*a*) Will Government be pleased to state whether each Department of the Government of India maintains an establishment list like the one maintained by the office of the Auditor General, giving a complete list of officers, superintendents, assistants and clerks and menials? If so, is that open to the public, more specially to those who compile directories? Is that open to inspection by the Members of the Central Legislature?

The Honourable Sir James Crerar: Each Department of the Government of India maintains a gradation or establishment list, though not necessarily in the exact form referred to by the Honourable Member.

The reply to the last two parts of the question is in the negative.

Mr. Anwar-ul-Azim: Will the Honourable the Leader of the House kindly tell us whether it is not a fact that the compilers of Liddell's Directory and another gentleman here in New Delhi have got in their directories lists of the establishments practically fully tallying with the establishment lists of the Government of India, and they are already in the Library of the House?

The Honourable Sir James Crerar: No, Sir, I have no information to that effect, but I am prepared to accept the Honourable Member's assurance.

RENT FOR ELECTRIC FANS IN NEW DELHI.

477. ***Mr. Amar Nath Dutt:** (*a*) Is it a fact that the Government of India have decided to treat electric fans fitted in Government quarters in New Delhi as part of the building since April 1924? If so, will Government be pleased to state whether, in contravention of their decision, any rent for electric fans was charged separately during the year 1929-30?

(*b*) If the reply to part (*a*) is in the affirmative, will Government be pleased to state the reasons therefor, and also state whether they intend to give any refund for the same? Do Government propose to discontinue charging rents for electric fans from April 1930? If not, why not?

The Honourable Sir Bhupendra Nath Mitra: The reply to the first portion of the question is in the negative, so far as the period from the 1st April, 1924, to 31st March, 1929, is concerned. As regards the period from the 1st April, 1929, the matter is under consideration of Government and the rest of the question therefore does not arise.

ENTRANCE TO THE EAST INDIAN RAILWAY OFFICES IN CLIVE STREET.

478. ***Mr. Amar Nath Dutt:** (*a*) Is it a fact that the use of the Clive Street gateway of the East Indian Railway offices at Fairlie Place, Calcutta, is restricted between 9 A.M. to 10-15 A.M. and 4-30 P.M to 5-30 P.M.? If so, why?

(*b*) Is it a fact that gentlemen in Indian dress who want to reserve berths or ascertain rates are not allowed the use of the gateway? If so, why?

(*c*) Is it a fact that the Clive Street gate is the nearest entrance from Dalhousie Square, which is the terminus of tramcars and buses? Is it also a fact that the employees have to undergo a long walk through a circuitous route, owing to the closing of the Clive Street gate? Do the Government propose to open the Clive Street gate to the employees? If not, why not?

(*d*) Will Government be pleased to state whether two electric lifts have been provided in the East Indian Railway office building at Fairlie Place, Calcutta? If so, will Government be pleased to state whether Indian employees are allowed to use them? If not, why not?

Mr. A. A. L. Parsons: I am ascertaining from the Agent of the East Indian Railway what the present procedure is regarding the matters in question and will furnish the Honourable Member with information on these points.

GROWTH OF MILITARY EXPENDITURE.

479. ***Sir Hari Singh Gour:** (*a*) Are the figures given at page 336 of the Central Committee's Report showing the growth of Military expenditure since 1910 correct?

(*b*) If not, what are the correct figures for the years mentioned therein?

The Honourable Sir George Schuster: (*a*) and (*b*). The figures are correct, except for a few mistakes which are apparently printer's errors. I lay on the table a statement showing the correct figures for the years in which printer's errors have been noticed.

The remark against the amount for 1920-21 is not correct as the figures do not include loss by exchange.

Statement showing the correct figures of Military expenditure for certain years.

Year.	Gross or Net expenditure.	As shown in the Report.	Correct figures.
		£	£
1916-17	Net .	24,993,811	24,990,811
1919-20	Net .	57,986,087	57,985,087
		Rs.	Rs.
1924-25	Gross .	59,66,54,877	59,66,51,877
1925-26	Gross .	60,32,37,045	60,39,37,045
1926-27	Gross .	60,91,63,899	60,91,63,889
	Net .	55,96,95,835	55,96,95,825

CAPITATION CHARGES FROM THE ARMY.

480. ***Sir Hari Singh Gour:** (*a*) Will Government be pleased to state the amount of capitation charges since 1910 up to date?

(*b*) Were the rates of such charges recently revised? If so, with what result?

(*c*) Have the Government of India been a consenting party to their payment?

(*d*) If so, will they be pleased to state on what ground is India liable for the training of a part of the British Army stationed in India?

(*e*) If not, what steps have Government so far taken to relieve the revenues of India from that annual contribution?

The Honourable Sir George Schuster: (*a*) I lay a statement on the table showing the payments made in each year from 1914-15 onwards. The information in respect of the four preceding years will be supplied to the Honourable Member later.

(*b*) The latest revision of rates took place between 1920 and 1922 in order to allow for increases in pay and prices since 1908 when the former rate was fixed. The result is shown in the statement which I am laying on the table.

(*c*), (*d*) and (*e*). As the Honourable Member is probably aware, the whole question of the capitation payments has been raised by the Government of India and is now under discussion with His Majesty's Government. I am afraid that I cannot at the moment say more than that, although I hope that it will be possible for the Government of India to make a statement on the subject in the near future.

Statement showing the capitation payments made in each year from 1914-15 onwards.

Year.	Army.	R. A. F.	Total.
	£	£	£
1914-15	861,700	..	861,700
1915-16	861,700	..	861,700
1916-17	861,700	..	861,700
1917-18	861,700	..	861,700
1918-19	861,700	..	861,700
1919-20	861,700	..	861,700
1920-21	1,896,000	100,000	1,996,000
1921-22	1,896,000	92,000	1,988,000
1922-23	1,702,000	95,500	1,797,500
1923-24	1,700,000	99,700	1,799,700
1924-25	1,455,000	97,600	1,552,600
1925-26	1,400,000	100,400	1,500,400
1926-27	1,400,000	98,150	1,498,150
1927-28	1,400,000	98,150	1,498,150
1928-29	1,400,000	103,125	1,503,125
1929-30 (Revised)	1,400,025	106,275	1,506,300
1930-31 (Budget)	1,400,025	106,275	1,506,300

Sir Hari Singh Gour: May I know when the question was raised for the first time by the Government of India?

The Honourable Sir George Schuster: I am afraid I cannot give the Honourable Member the exact date. It has been a subject of correspondence for a number of years, having been started before my own connection with my present office. I can inform the Honourable Member that it has been under active discussion during the whole of the past twelve months.

Sir Hari Singh Gour: Is it not the fact that this question has been alive since the last eighteen or twenty years, and in the meantime, while no change in the amount has been made, payment has been made from year to year? May I know whether, if the settlement is finally reached in favour of the Government of India, all the past payments will be refunded to the Government of India?

The Honourable Sir George Schuster: I think, Sir, that the last part of the question is distinctly hypothetical. It is very difficult to make any further statement on the subject now, other than that which I have already made.

Sir Hari Singh Gour: What machinery do the Government of India now propose to employ for the purpose of settling this question?

The Honourable Sir George Schuster: I cannot answer that question, Sir, without anticipating the information which I hope to be able to give this House at an early date.

Sir Hari Singh Gour: May I know whether, in a matter like this, there is any independent machinery for the purpose of settling the dispute between the Government of India and the Home Government?

The Honourable Sir George Schuster: I can, I think, go as far as this in informing the House of the present position of affairs, that one of the most important questions which has been the subject of our recent discussion with His Majesty's Government, has been the form of machinery which shall be employed in settling this very important question.

Sir Hari Singh Gour: Will the Government of India take this House into confidence and consult us as to the suitability and adequacy of the machinery employed for the purpose?

The Honourable Sir George Schuster: It has been our intention, Sir—and that has appeared in our correspondence—to take this House into our confidence before any definite step is taken.

Pandit Hirday Nath Kunzru: May I ask whether the question of the capitation rate was discussed with His Majesty's Government in connection with the present Budget?

The Honourable Sir George Schuster: No, Sir; it was not discussed in connection with the current Budget; it raises much wider issues of a permanent nature.

Dr. B. S. Moonje: Do the Government see the enormity of the question that India is made to pay for the training of the British Army?

The Honourable Sir George Schuster: There are a number of important issues raised in connection with this question, as my Honourable friend is well aware; he can rest assured that everything that can be said on behalf of Indian interests in this matter has been said very vigorously by the Government of India.

Dr. B. S. Moonje: Do the Government of India propose to take the leaders on the non-official side into consultation while settling this question or tendering their advice to His Majesty's Government?

Mr. Vidya Sagar Pandya: And leave the other Members out? (Laughter.)

(No answer was given.)

EQUIPMENT OF THE INDIAN ARMY.

481. ***Sir Hari Singh Gour:** (*a*) What has been the cost of re-equipment of the Indian Army?

(*b*) How often has it been re-equipped since 1920? How long does its equipment last, and what are the determining factors in sanctioning its re-equipment?

(*c*) Is the Army in India equipped and re-equipped as a part of the Imperial forces ready to take the field anywhere, even in Europe, at a moment's notice?

Mr. G. M. Young: (*a*) and (*b*). The Honourable Member will find all the information available in the statement that I made on the 5th of September, 1928, and in the memorandum that I then laid on the table. It is obvious that re-equipment of one kind or another is always going on and that the life of the innumerable articles of Army equipment varies enormously. The special programme of re-equipment, which is going on

now, has been estimated to cost something like 10 crores spread over a period of five years.

(*c*) No, Sir. The Army in India is maintained for the defence of India, and is equipped accordingly.

MECHANISATION OF THE INDIAN ARMY.

482. ***Sir Hari Singh Gour:** (*a*) What is the cost of mechanisation of the Indian Army?

(*b*) Is it confined to the British troops in India?

(*c*) Does the mechanisation follow the Cardwell system? When did it begin? How long will it continue and what will be its ultimate cost (both capital and recurring)?

Mr. G. M. Young: (*a*) About Rs. 1 crore were spent on the mechanisation programme last year and the Budget for 1930-31 contains a provision of about Rs. 60 lakhs for the same purpose.

(*b*) No, Sir.

(*c*) The reasons for, and the history of the growth of, the policy of mechanisation were fully explained in the statement that I have referred to in the answer to the previous question. Mechanisation is merely modernisation. It began when the motor vehicle began to replace the horse. It has nothing to do with the Cardwell system. How long it will continue, to what extent it will be developed and what it will cost, are all questions that the future alone can answer.

MILITARY EXPENDITURE IN INDIA.

483. ***Sir Hari Singh Gour:** (*a*) What is the total annual amount of military expenditure in India taking into account the expenditure—both direct and indirect—the latter including:

(i) loss on the strategic railways and cost and maintenance of strategic roads, and the cost of the Royal Indian Marine; and

(ii) the expenditure classified as political including payments made to Khasedars, and on account of the Military Police Frontier Constabulary; maintenance of hospitals, sanitaria and schools mainly for the health and convenience of British troops and their families; workshops and factories maintained for military purposes?

(*b*) Do Government propose to show in the Budget all such expenditure under the head "Military".

The Honourable Sir George Schuster: (*a*) and (*b*). I would refer the Honourable Member to the Finance and Revenue Accounts of the Government of India. I may, however, say that I think it would be misleading to treat the whole of the items to which the Honourable Member refers, as military expenditure. But, if the Honourable Member will speak to me on the subject, I will endeavour to have an informative statement extracted from the Finance and Revenue Accounts.

MILITARY EXPENDITURE IN INDIA.

484. ***Sir Hari Singh Gour:** (*a*) Are Government aware that it was decided in the Financial Conference at Brussels, in which India was represented, that a country which spent more than 20 per cent. of its revenue upon its defence was courting a serious disaster?

(*b*) What action have Government taken to bring its military expenditure into line with the decision of the Brussels conference?

The Honourable Sir George Schuster: I would invite the Honourable Member's attention to the reply given by my predecessor to a similar question by the Honourable Member himself on the 25th January, 1926. In this reply it was pointed out that the text of the Brussels Resolution was not in exact accord with the Honourable Member's version. I may add that for the year 1928-29, the latest year for which accounts are available, the total national expenditure of India, including that of the Provincial Governments, but excluding the working expenses of the Railways and of the Posts and Telegraphs and Irrigation Departments was about Rs. 218·81 crores The net military expenditure was 55·10 crores which amounts to 25 per cent. against 27 per cent. in 1924-25. On the next year's budget proposals I estimate that the percentage will again be considerably reduced. I would invite the Honourable Member's attention to paragraphs 33 and 34 of my speech introducing the next Budget, where I have referred to the definite sign that Army expenditure is really to be reduced.

MILITARY EXPENDITURE IN INDIA.

485. ***Sir Hari Singh Gour:** (*a*) Is it a fact, as reported in the papers, that the proposals of Government for retrenchment of the military expenditure have been overruled by Whitehall?

(*b*) If so, will Government be pleased to lay on the table a copy of the correspondence on the subject?

Mr. G. M. Young: (*a*) No, Sir.

(*b*) Does not arise.

MILITARY EXPENDITURE IN INDIA.

486. ***Sir Hari Singh Gour:** Will Government be pleased to state the amount of the military expenditure restored wholly or partially, or added to, after its retrenchment in consequence of the recommendations of the Inchcape Committee?

Mr. G. M. Young: As far as I am aware, none of the measures of economy carried out as a result of the recommendations of the Inchcape Committee have since been reversed or neutralized.

EXPENDITURE ON THE CIVIL ADMINISTRATION.

487. ***Sir Hari Singh Gour:** (*a*) Are Government aware that its expenditure on the civil administration in relation to its revenue is far in excess of that incurred in any other part of the British Commonwealth?

(*b*) Will Government be pleased to lay on the table a statement showing the percentage of revenue allotted to civil and military expenditure of the Central Government during the last ten years, and a similar statement relating to Canada, Australia and South Africa?

The Honourable Sir George Schuster: (*a*) Government are not aware of this fact.

(*b*) Information is being collected and will be furnished to the Honourable Member in due course.

Sir Hari Singh Gour: In view of the importance of the question, will the Honourable Member, after the information is collected, please lay it on the table?

The Honourable Sir George Schuster: Certainly.

ALLEGATIONS AGAINST LALA RATAN LAL, FORMERLY HEADMASTER OF THE GOVERNMENT HIGH SCHOOL, DELHI.

488. ***Maulvi Muhammad Yakub:** (*a*) For how many years was Lala Ratan Lal, Headmaster of the Government High School and Assistant Superintendent of Education in Delhi?

(*b*) Were any complaints made against him as being an anti-Muslim?

(*c*) How many Muslim schools were there in Delhi, as long as Lala Ratan Lal was there, and how many Muslim schools were opened and how many existing schools were raised to a higher status since his departure?

(*d*) Is it a fact that Lala Ratan Lal is again to be transferred to Delhi as an Assistant Superintendent of Education and is shortly to be promoted to the post of Superintendent of Education in Delhi?

(*e*) Do Government propose to make an inquiry into the past activities of the said Lala Ratan Lal and reconsider the proposal of his being transferred to Delhi?

Sir Frank Noyce: The information required by the Honourable Member is being collected and will be supplied to him later.

APPOINTMENT OF MUSLIMS TO CERTAIN DEPARTMENTS IN AJMER-MERWARA.

489. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) What is the total number of gazetted officers in the Revenue, Excise, Income-tax, Forest, Police, Public Works, Co-operative Societies, and Medical Departments in Ajmer-Merwara?

(*b*) Are Government aware that there is no Muslim gazetted officer in the said departments in Ajmer-Merwara, though the Muslims form about 20 per cent. of the total population of the province?

(*c*) Is it a fact that during the last four years a number of gazetted posts in the said Departments in Ajmer-Merwara have been filled in by the appointment of non-Muslims from outside Ajmer-Merwara and by the promotion of non-Muslim non-gazetted officers in Ajmer-Merwara?

(*d*) How many officers, not previously in the service of the Ajmer-Merwara Administration as gazetted officers, have been appointed to gazetted appointments in the said Departments in Ajmer-Merwara during the last four years?

(*e*) Do Government propose to fix an adequate proportion of the gazetted appointments in the said Departments of Ajmer-Merwara for the Muslims? If not, why not?

Mr. E. B. Howell: The information required is being collected and will be supplied to the Honourable Member in due course.

APPOINTMENT OF ASSISTANT SUPERINTENDENT OF EDUCATION, AJMER-MERWARA.

490. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) Is it a fact that the present Assistant Superintendent of Education, Ajmer-Merwara, is a third division M.A., B.Sc., of an Indian University without any qualifications in educational training?

(*b*) Is it a fact that the present Assistant Superintendent of Education, Ajmer-Merwara, was appointed to the post of the Assistant Superintendent of Education in supersession of the Headmaster of a Government high school at Ajmer?

(*c*) Is it a fact that the Headmaster referred to in part (*b*) possessed a first class training and qualifications and was senior to the present Assistant Superintendent of Education before his appointment to the said post in grade, actual pay, and length of service?

(*d*) Is it a fact that the work of the Assistant Superintendent of Education, Ajmer-Merwara, is to supervise and administer primary education and a part of secondary education?

(*e*) Is it a fact that the gentleman, who gave evidence on behalf of the Nasirabad Cantonment Board, before the Primary Education Committee of the Government of India, pointed out to the said Committee the inadequacy of the qualifications of the present Assistant Superintendent of Education for the proper supervision and administration of primary education?

(*f*) Do Government propose to appoint, immediately, an experienced officer well-qualified in educational training to the post of the Assistant Superintendent of Education, Ajmer-Merwara? If not, why not?

Sir Frank Noyce: With your permission, Sir, I shall deal with questions Nos. 490 and 497—500 together. The information asked for in these questions is being collected and will be supplied to the Honourable Member later.

Mr. Abdul Latif Sahib Farookhi: Will the Honourable Member please state the reasons why he is not able to collect the information in time so as to enable the House to be in possession of these answers?

Sir Frank Noyce: I think, Sir, it will be seen from the questions put by the Honourable Member that enquiries have to be made into a number of details and these necessarily take time. I did my best to collect the information for the Honourable Member in time to permit of the questions being answered today, but unfortunately was unable to do so.

TERMS OF ACQUISITION BY GOVERNMENT OF CERTAIN RAILWAYS.

491. ***Mr. B. Das:** (*a*) In reference to paragraph 208, page 64, of the Acworth Committee's Report, will Government be pleased to state the share capital invested by each of the Companies, (i) Assam Bengal Railway, (ii) Bengal Nagpur Railway, (iii) Bengal and North Western Railway, (iv) Madras and Southern Mahratta Railway, (v) Bombay, Baroda and Central India Railway, and (vi) South Indian Railway and the capital invested by the Government of India in each case?

(*b*) Will Government be pleased to indicate in each case the amount of money to be repaid in case acquisition takes place?

(*c*) Will Government be pleased to state the present market quotation in case of the Assam Bengal Railway? Has it gone up above 45 as quoted in paragraph 208 of Acworth report?

Mr. A. A. L. Parsons: (*a*) I placed on the table a statement showing (1) the total capital at charge of the railways mentioned on 31st March, 1929, (2) the share capital of the companies managing them. For further particulars, if desired, I would refer the Honourable Member to accounts Nos. 25, 25A and 25B of the Finance and Revenue Accounts of the Government of India, copies of which will be found in the Library.

(*b*) With the exception of the Bengal and North Western Railway, all the lines referred to are already owned by Government and the cash payment involved when and if their management is taken over by Government on the termination of the contracts with the Companies is represented by the par value of the Companies' share capital in each case; in addition to this existing liabilities and debts of the Company incurred with the sanction of the Secretary of State have also to be taken over by Government. The payment likely to be involved in the purchase of the Bengal and North Western Railway is estimated approximately at a little over £10 million sterling.

(*c*) The market quotation of the ordinary stock was 91 in December.

Statement showing capital at charge and Share Capital of certain Railways.

	Total capital at charge on 31st March, 1929 (in lakhs of Rs.)	Share capital of Coys. on 31st March, 1929 (in millions of pounds).
(*i*) Assam Bengal Railway	21,62	1½
(*ii*) Bengal Nagpur Railway	71,61	3
(*iii*) Bengal and North Western Railway.	11,38 (Coys. Lines). 9,26 (State portion, *i.e.*, Tirhoot Railway).	6 (3 ordy. stock & 3 preference stock).
(*iv*) Madras and Southern Mahratta Railway	54,75	5
(*v*) Bombay, Baroda and Central India Railway	70,24	2
(*vi*) South Indian Railway	35,88	1

PRICE OF PURCHASE OF THE BENGAL AND NORTH WESTERN RAILWAY.

492. ***Mr. B. Das:** (*a*) In reference to the statement made by the Honourable the Railway Member and the Financial Commissioner of Railways on the floor of the House, that the price of purchase of the Bengal and North Western Railway was fixed at 12 millions sterling subject to revision, will Government be pleased to state how much of it is capital invested and how much of it is goodwill?

(*b*) Did the Acworth Committee make any recommendations regarding prices to be paid to Bengal and North Western Railway at the time of its purchase?

Mr. A. A. L. Parsons: (*a*) The method by which the purchase price of the Bengal and North Western and the Rohilkhand and Kumaon Railways is to be determined is indicated on pages 13-14 and 180-181 of the History of Indian Railways corrected up to 31st March, 1928, a copy of which is in the Library. It will be seen that the terms of purchase do not specifically make any provision for goodwill.

(*b*) No.

PURCHASE PRICE OF THE ASSAM BENGAL RAILWAY.

493. ***Mr. B. Das:** Will Government be pleased to state if they have borne in mind the following observations of the Acworth Committee, paragraph 208, page 64, in their fixing of the purchase price of the Assam Bengal Railway:

"We should hesitate to advise that the Secretary of State should pay off at par in 1931 shares now standing at 45. But the company is not important and there is ample time for consideration of this exceptional case between now and 1931."?

Mr. A. A. L. Parsons: Government are aware of these observations of the Acworth Committee. I may point out, however, that the Assam Bengal Railway is already the property of Government, and there is, strictly speaking, no question of fixing its purchase price. The terms of the existing contract provide for the repayment of the share capital and of existing liabilities, including debentures sanctioned by the Secretary of State, on its determination.

DONATIONS FROM THE MILITARY BUDGET FOR NON-OFFICIAL CHARITIES.

494. ***Dr. B. S. Moonje:** (*a*) Will Government please state if it is a fact that donations for non-military non-official charities are made yearly out of the military Budget?

(*b*) If so, will Government please state what sums have been yearly paid during the last five years for such charities?

(*c*) Is it a fact that a donation was paid to what is known as the Ex-Services Association during the last year for repatriation in the shape of six passages?

(*d*) If so, will Government please state:

(i) to whom these passages were given,

(ii) to which places,

(iii) for what purpose,

The Honourable Sir Bhupendra Nath Mitra: (*a*) The Government of India are aware that there are considerable variations in the rules.

(*b*) The matter does not come within the functions of the Standing Committee for Roads. In paragraph 89 of their Report the Indian Road Development Committee recommended that these subjects might conveniently be discussed at the periodical Road Conferences. This suggestion will be considered by the Government of India.

ADMINISTRATION OF THE ANGLO-ARABIC COLLEGE, DELHI.

†497 ***Mr. Abdul Latif Sahib Farookhi:** Will Government be pleased to state whether it is a fact that:

(*a*) the Government Anglo-Arabic College, Delhi is an aided institution and is in receipt of a grant-in-aid under Government rules;

(*b*) the Chief Commissioner of Delhi is the Trustee of the College Itmaddowla Fund, keeps a separate account in his office, issues all cheques and disburses salary bills, etc.;

(*c*) the Chief Commissioner of Delhi nominates the members of the managing committee (governing body) of the college;

(*d*) the Muslims of Delhi have absolutely no hand and say in the matter of selection of members of the College Committee;

(*e*) the Deputy Commissioner of Delhi is the *ex*-officio President of the College Managing Committee, and

(*f*) a non-official President from among the members of the Committee or elsewhere has never been appointed in the history of the College?

RULES FOR LEAVE AND PROMOTION OF THE STAFF OF THE ANGLO-ARABIC COLLEGE, DELHI.

†498. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) With reference to the reply to my starred question No. 834 of the 24th September, 1929, will Government be pleased to lay a copy of the rules governing the leave of the staff of the Government Anglo-Arabic College, Delhi, on the table of the House?

(*b*) Are these rules printed and supplied to the members of the staff?

(*c*) Will Government be pleased to obtain the information, regarding the rules governing promotion of the staff of the Anglo-Arabic College, Delhi?

APPOINTMENT OF THE PRINCIPAL OF THE ANGLO-ARABIC COLLEGE, DELHI.

†499. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) How many applications for the post of the Principal of the Arabic College, Delhi, were received? What are the names and qualifications of those applicants and on what grounds was preference given to Mr. Walker?

(*b*) Is it a fact that the principals of the St. Stephen's College and the Hindu College, Delhi, get comparatively less pay than Mr. Walker?

†For answer to this question, *see* answer to question No. 490.

(*c*) What are the academical qualifications of Mr. Walker? From which University and in which division and year did he pass his M. A. and in which degree college or colleges did he teach before and what subjects?

(*d*) Is it a fact that the pay of Mr. Walker is Rs. 850 per mensem and that the late principal used to get only Rs. 300 per mensem?

(*e*) Is it a fact that the Vice-Principal gets Rs. 185 and that there is no professor on more than Rs. 200 per mensem?

(*f*) Can Government quote any degree college where the difference of pay of the Principal and the Vice-Principal or the other staff is so great?

(*g*) Is it a fact that on account of the poor state of finances and with a view to meet the high pay of the Principal, highly paid professors have been dispensed with on one plea or another and that promotions to deserving men at present working in the institution are refused and low paid men are entertained?

DELAY IN THE PAYMENT OF SALARIES OF TEACHERS IN THE ANGLO-ARABIC COLLEGE, DELHI.

†500. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) With reference to the answer to my starred question No. 841 of the 24th September, 1929, will Government be pleased to state whether it is a fact that the professors and teachers of the Anglo-Arabic College get their pay a week and sometimes ten days after the date when it becomes due? What are the reasons for it?

(*b*) Have Government considered the question of overhauling the whole staff and appointing a lower paid and competent Muslim Principal to this institution? If not, why not?

(*c*) Have Government considered the question of appointing an elected non-official President when occasion arises from among the elected members of the Managing Committee? If not, why not?

UNSTARRED QUESTIONS AND ANSWERS.

OVERWORKED SUB-DIVISIONAL INSPECTORS OF POST OFFICES.

188. **Mr. N. C. Kelkar:** (*a*) Is it a fact that the work of the Sub-Divisional Inspectors has abnormally increased in various ways owing to the scheme of giving better postal facilities, etc., to the public in rural areas?

(*b*) Are Government aware that it has become impossible for the Sub-Divisional Inspectors to manage their Sub-Divisions satisfactorily?

(*c*) If so will Government kindly state what steps are being taken to improve the state of things?

Mr. H. A. Sams: (*a*) There has been some increase in the work of Inspectors for the reasons stated by the Honourable Member, but Government do not consider that it has been in any way abnormal.

(*b*) No, because additional appointments of Inspectors have been sanctioned where necessary to cope with the increase of work.

(*c*) Additional Sub-Divisional Inspectorships of Post Offices will be created as required.

†For answer to this question, *see* answer to question No. 490.

APPOINTMENT OF DIVISIONAL SUPERINTENDENTS OF POST OFFICES.

189. **Mr. N. C. Kelkar:** Will Government be pleased to state how many appointments of Divisional Superintendents of Post Offices were filled up by men promoted from the Sub-Divisional Inspectors and Head Clerks to Superintendents during the last five years?

The Honourable Sir Bhupendra Nath Mitra: Six.

PAY OF CERTAIN SUB-DIVISIONAL INSPECTORS AND HEAD CLERKS TO SUPERINTENDENTS OF POST OFFICES.

190. **Mr. N. C. Kelkar:** (*a*) Are Government aware that the Sub-Divisional Inspectors and Head Clerks to Superintendents of Post Offices who held such appointments prior to the 1st December 1919 had to suffer monetary loss by not getting one increment for every year of past service as Inspector or Head Clerk and by not getting any increment for past service prior to 1st September, 1927?

(*b*) If so, will Government be pleased to state the grounds on which their prayer for advance increments under Fundamental Rule 27 was rejected by the Director General, Posts and Telegraphs, in his No. 696-Est./29, dated the 24th October, 1929?

The Honourable Sir Bhupendra Nath Mitra: (*a*) Government are aware of the facts stated by the Honourable Member, but they do not admit that the officials in question were treated unfairly.

(*b*) The attention of the Honourable Member is invited to item 4 (*e*) of Part I of the statement of grievances represented by the deputation of the All-India (including Burma) Postal and Railway Mail Service Union and of the conclusions arrived at as laid on the table of this House on the 4th March, 1926, and also the reply given to Mr. N. M. Joshi's unstarred question No. 318 in the Legislative Assembly on the 11th March, 1929.

DUTIES OF SUPERINTENDENTS AND SUB-DIVISIONAL INSPECTORS OF POST OFFICES IN THE BOMBAY CIRCLE.

191. **Mr. N. C. Kelkar:** (*a*) Will Government be pleased to state:

(i) the nature of duties and responsibilities of a Superintendent of Post Offices and that of a Sub-Divisional Inspector in the Bombay Circle;

(ii) the average number of clerical staff under the control of a Divisional Superintendent and that of Delivery and Menial staff under the control of a Sub-Divisional Inspector;

(iii) the number of clerks ordinarily sanctioned for a Divisional Superintendent's office and that for a Sub-Divisional Inspector;

(iv) the average number of offices inspected by a Divisional Superintendent and that by a Sub-Divisional Inspector in Bombay Circle?

(*b*) If no clerk has been given to a Sub-Divisional Inspector will Government be pleased to state what steps are being taken to relieve him of the heavy clerical work?

Mr. H. A. Sams: (*a*) (i) Government are unable to give, within the scope of a reply to a question, details of the duties and responsibilities of a Superintendent of Post Offices and of a Sub-Divisional Inspector, respectively, in the Bombay Circle. But generally speaking it may be stated that a Superintendent is responsible for the postal administration of his Division while a Sub-Divisional Inspector assists him in matters of administrative detail in connection with a portion only of the Divisional area.

(ii) Government do not possess the information and do not propose to call for it, as to collect it for the whole of India and Burma would involve an expenditure of time and labour out of all proportion to the importance of the result.

(iii) Four and *nil*, respectively.

(iv) 35 and 61, respectively. The former figure, however, comprises the more important offices.

(*b*) Government do not consider that the clerical work of an Inspector is heavy or that there is any justification for the appointment of a clerk to help him with it.

APPOINTMENTS OF SUB-DIVISIONAL INSPECTORS IN THE BOMBAY POSTAL CIRCLE.

192. **Mr. N. C. Kelkar:** Will Government be pleased to state the total number of appointments of Sub-Divisional Inspectors in the Bombay Postal Circle existing on 31st March, 1922 and 31st March, 1926, and the total number of additional appointments of Sub-Divisional Inspectors in the same Circle sanctioned since then?

Mr. H. A. Sams: The totals are 45 and 38, respectively, but the first figure contains four appointments in Sind, which was subsequently separated from the Bombay Circle. Since the 31st March, 1926, four additional appointments of sub-divisional inspectors have been sanctioned for the Bombay Circle.

APPOINTMENT OF DIVISIONAL SUPERINTENDENTS OF POST OFFICES.

193. **Mr. N. C. Kelkar:** (*a*) Is it a fact that Sub-Divisional Inspectors are not promoted to the appointments of Divisional Superintendents of Post Offices like officials of similar status in Revenue, Police and other Departments?

(*b*) If so, are Government prepared to consider the question of promoting the Sub-Divisional Inspectors as Divisional Superintendents of Post Offices without age limit, etc.?

The Honourable Sir Bhupendra Nath Mitra: (*a*) Inspectors of Post Offices and Inspectors, Railway Mail Service, are not debarred from promotion to posts of Superintendents of Post Offices, which they may attain under the departmental regulations. A comparison with other Departments would be misleading as conditions in these are not the same.

(*b*) Government regard the existing system as suitable and do not propose to change it.

STRENGTH OF SUB-DIVISIONAL INSPECTORS OF POST OFFICES.

194. **Mr. N. C. Kelkar:** Will Government be pleased to state the present standard, fixed for determining the strength of Sub-Divisional Inspectors of Post Offices?

Mr. H. A. Sams: As a general rule, an Inspector is required to devote 144 days in a year to the actual work of inspection and verification. In special cases, however, a somewhat lower standard is sometimes admitted.

PROBATIONARY SUPERINTENDENTS OF POST OFFICES.

195. **Mr. K. C. Neogy:** Will Government be pleased to state:

(*a*) If it is a fact that there are 15 Probationary Superintendents of Post Offices at present?

(*b*) What is the distribution at present among the different Circles and on what basis the distribution of Probationary Superintendents is made?

(*c*) Whether it is a fact that the number of Probationary Superintendents recruited is usually so regulated as to make them permanent within two years? If so, is not the number of Probationary Superintendents at present excessive?

The Honourable Sir Bhupendra Nath Mitra: (*a*) Yes.

(*b*) The present distribution is as shown below:

Bengal and Assam	3
Bihar and Orissa	2
Bombay	2
Central Circle	1
Madras	1
Punjab and North-West Frontier	3
United Provinces	1
Sind and Baluchistan	2

They are ordinarily attached for training to the Circles where the vacancies to which they are appointed occur.

(*c*) The guiding principle for regulating recruitment of Probationary Superintendents is as stated by the Honourable Member. As regards the second part of the question, Government understand that the possibility of reducing the number of Probationary Superintendents is now being examined by the Director General.

APPOINTMENT OF SUPERINTENDENTS OF POST OFFICES.

196. **Mr. K. C. Neogy:** (*a*) Is the Director General of Posts and Telegraphs prepared to consider the question of increasing the ratio of departmental men to Probationary Superintendents in filling up permanent vacancies of Superintendents of Post Offices?

(*b*) What does a Probationary Superintendent cost the Government before he is confirmed? Is it not possible to cut down this cost in any way without hampering the efficiency of the Department?

(*c*) Is it a fact that permanent vacancies of Superintendents are filled up in the proportion of one Probationary Superintendent to one departmental passed candidate, whereas in the case of officiating vacancies Probationary Superintendents are given preferential treatment without considering their relative seniority along with the departmental passed candidates?

(*d*) Are Government prepared to lay down that the same principle as is followed in filling up permanent vacancies should be observed in filling up officiating vacancies as well?

The Honourable Sir Bhupendra Nath Mitra: (*a*) No.

(*b*) A Probationary Superintendent is paid Rs. 200 a month. The extent of the period of his probation depends on vacancies in the Superintendents' grade. The cost on account of a Probationary Superintendent therefore varies according to his period of probation. As regards the second part of the question, the Honourable Member's attention is invited to the reply which I have given to the second part of part (*c*) of his unstarred question No. 195.

(*c*) Permanent vacancies are filled by qualified Probationary Superintendents and qualified departmental officials alternately. Arrangements for filling officiating vacancies are, under the orders of the Director General, made by the Head of the Circle in which the vacancies occur as he thinks best and most convenient.

(*d*) Government are not prepared to interfere with the discretion vested in the Director General, Posts and Telegraphs.

APPOINTMENTS IN THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

197. **Mr. K. C. Neogy:** (*a*) What are the numbers of appointments in the various time-scales in the office of the Director General of Posts and Telegraphs?

(*b*) What is the number of selection grade appointments in that office?

(*c*) What is the proportion of selection grade appointments to time-scale appointments in that office and how, favourably or unfavourably, does this proportion compare with the proportion in other offices of the same status?

(*d*) If the proportion of selection grade appointments to time-scale appointments compares unfavourably with other offices of the same status, what action do Government propose to take in order to ensure a flow of promotion?

The Honourable Sir Bhupendra Nath Mitra: (*a*)

First Division time-scale clerks	121
Second Division time-scale clerks	68
Total ..	189

(*b*) 20.

(*c*) The proportion of selection grade appointments to time-scale appointments in the office of the Director General of Posts and Telegraphs works out to about 11 per cent. This proportion compares favourably with that in other offices of the same status.

(*d*) Selection grade appointments in the office of the Director General of Posts and Telegraphs are based on responsibility, not on a flow of promotion. Government do not therefore propose to take any action in the manner suggested.

PAYMENTS MADE TO THE CLIVE TRANSPORT COMPANY.

198. **Rai Bahadur Raizada Bhagat Ram:** (*a*) Will Government be pleased to state what sum was paid in the year 1929 to the Clive Transport Company for officers and soldiers travelling with military travelling warrants between Pathankot and Dalhousie?

(*b*) With reference to the answer to starred question No. 169 of the 5th September, 1929, will Government be pleased to state how much would have to be paid for officers and soldiers with military travelling warrants travelling by some other company?

Mr. G. M. Young: With your permission, Sir, I propose to answer questions Nos. 198 to 200 together.

The information has been called for from the local military authorities and will be communicated to the Honourable Member in due course.

ARRANGEMENTS MADE FOR TRANSPORT OF MILITARY MEN BETWEEN PATHANKOT AND DALHOUSIE SINCE JANUARY 1930.

†199. **Rai Bahadur Raizada Bhagat Ram:** Will Government be pleased to state with what Motor Transport Company they have made a contract for officers and soldiers travelling with military travelling warrants between Pathankot and Dalhousie and at what rates, now that the contract with the Clive Motor Transport Company expired in January 1930?

EXTENSION OF CONTRACT WITH THE CLIVE MOTOR TRANSPORT COMPANY.

†200. **Rai Bahadur Raizada Bhagat Ram:** (*a*) Will Government be pleased to state if it is a fact that the contract with the Clive Motor Transport Company has been extended for some time?

(*b*) If the answer to part (*a*) is in the affirmative, what are the reasons for it?

CONTRACT FOR THE CARRIAGE OF MAIL BETWEEN PATHANKOT AND DALHOUSIE.

201. **Rai Bahadur Raizada Bhagat Ram:** (*a*) Will Government be pleased to state whether the Mail Transport Company, which was paid Rs. 14,496 for a twice-a-day service between Pathankot and Dalhousie suffered any losses, and if so, give a rough estimate of such losses, and the name of the Company and when did that Company's contract terminate?

(*b*) Why did Government not pay Rs. 24,911 to the above Mail Transport Company, which had actually suffered losses, for one service-a-day, and why did Government enter into a new contract with the Clive Transport Company in preference to the old Company?

The Honourable Sir Bhupendra Nath Mitra: (*a*) Government have no information about the loss, if any, suffered by the Indian Horse Dak Company, Ferozepore, which held the contract for the line, before it was given

†For answer to this question, *see* answer to question No. 198

to the Clive Transport Company. Information about the exact date of termination of the contract with that Company is not now available, but the contractor's service broke down in the middle of October, 1919, and the contract *ipso facto* terminated.

(*b*) The attention of the Honourable Member is invited to the reply given in this House by Mr. Rogers to starred question No. 172 of Lala Hansraj on the 5th September, 1929, from which it will be seen that the increased subsidy at the rate of Rs. 24,911 per annum was paid to the same contractor (*i.e.*, the Indian Horse Dak Company). In consideration for this increase, a mixed motor lorry and tonga service was introduced. This service, however, broke down in October, 1919, and a new contract was entered into with the Clive Transport Company as their's was the only Company which agreed to convey the mails in motor cars and lorries and to render an improved service.

TENDERS FOR CARRIAGE OF MAILS BETWEEN PATHANKOT AND DALHOUSIE.

202. **Rai Bahadur Raizada Bhagat Ram:** Will Government be pleased to quote the tenders and names of the respective transport companies who are willing to carry mails between Pathankot and Dalhousie?

Mr. H. A. Sams: Tenders for the conveyance of mails from the 1st April, 1930, between Pathankot and Dalhousie were received from the following Companies:

No.	Name of the Company.	Amount of tender for one service each way daily throughout the year.	Amount of tender for a second down despatch for 6 months in the summer.
		Rs. A. P.	Rs. A. P.
1	Rai Sahib Onkar Pershad and Kartar Singh, Lahore Cantonment	2,100 0 0	700 0 0
2	The Clive Transport Company, Limited, Delhi	2,015 1 8	2,026 10 0
3	Messrs. Heera Lal & Sons, Sialkot City	1,250 0 0	650 0 0
4	The International Syndicate, Lahore Cantonment	1,000 0 0	(Not quoted.)
5	The Imperial Motor Service, Pathankot	900 0 0	600 0 0
6	Malak Chand Kohli and Pindi Das, Rawalpindi City	900 0 0	600 0 0
7	Messrs. Narain Das and Company, Lahore	900 0 0	600 0 0

CHARGES FOR GOODS CARRIED BY THE CLIVE TRANSPORT COMPANY AND THE NORTH WESTERN RAILWAY.

203. **Rai Bahadur Raizada Bhagat Ram:** (*a*) Since starred question No. 177 of the 5th September, 1929, was answered, have Government made any inquiries as to the rates charged by the Clive Transport Company for the carriage of goods when not employed as agents for the North Western Railway?

(*b*) Is it a fact that the rate charged is Re. 1 as. 6 per maund, whereas the North Western Railway charges Rs. 3 per maund for the same?

(*c*) Will Government be pleased to explain this great difference?

Mr. A. A. L. Parsons: (*a*) No.

(*b*) Government have no information as to the rates charged when the Clive Transport Company are not employed as agents for the North Western Railway, but understand that such rates vary from time to time according to competitive conditions. The rates charged by the Company when employed as agents for the North Western Railway are Rs. 1-12-0 per maund for ordinary packages and Rs. 3 per maund for bulky packages.

(*c*) Such differences as may exist between the rates charged by the Company when employed as agents and when acting independently are influenced by the fact that the rates in the latter case are subject to competitive conditions and vary from time to time whereas in the former case the rates, like other railway freight rates, are stable.

GRANT OF A MONOPOLY FOR THE CARRIAGE OF MAILS AND PASSENGERS TO THE CLIVE TRANSPORT COMPANY.

204. **Rai Bahadur Raizada Bhagat Ram:** (*a*) Will Government be pleased to state why the civil authorities gave the monopoly to ply between Pathankot and Dalhousie to the Clive Transport Company?

(*b*) Why was the old Company which carried mails and passengers between Pathankot and Dalhousie before the Clive Transport Company not given the monopoly?

(*c*) Is it a fact that the former Company was an Indian concern?

(*d*) Is there any truth in the allegation that the Managing Director of the Clive Transport Company had suffered heavy losses in some other concern and that this monopoly was given to him in order to help him?

(*e*) Has he recouped his losses now?

(*f*) Is it a fact that the whole Directorate is non-Indian?

The Honourable Sir Bhupendra Nath Mitra: The information required by the Honourable Member is being collected and will be furnished to him as soon as possible.

TRAINING AND APPOINTMENT OF RAILWAY ACCOUNTANTS.

205. **Rai Bahadur Raizada Bhagat Ram:** (*a*) Will Government be pleased to state what has been the total expenditure on account of the class started for the training of railway accountants in Calcutta as compared with the budget estimates?

(*b*) What number of the students of the said class passed the training class examination qualifying for promotion to the posts of officiating accountants?

(*c*) Is it a fact that the selected candidates for the training class were given in writing to understand that they would be entitled to become accountants in an officiating capacity, on their passing the examination meant for the training class?

(*d*) Is it a fact that none of the passed students of the class has so far been provided for as an accountant?

(*e*) Is it a fact that in almost all State Railway accounts offices a certain number of the posts of junior accountants are held by such unqualified men who have been taken directly in these posts from outside the Railway Department, besides those unqualified men who were taken over from the civil accounts offices?

(*f*) How many posts of accountants and sub-heads in each railway accounts office are held by men of the two classes mentioned in part (*e*) above who have not so far passed the examination qualifying for accountants?

(*g*) If the answers to parts (*d*) and (*e*) are in the affirmative, will Government please explain why the taxpayers' money was spent in starting and running the training class for railway accountants when there were no posts of accountants to offer them on their qualifying themselves for such posts?

(*h*) What steps are now being taken to redeem the promises given to these men of the training class at the time of their selection as stated in part (*c*) that on passing the training class examination their position would improve?

(*i*) Is it a fact that men of the Training Reserve, started by the Auditor General, on passing the qualifying examination were not only given officiating promotion as accountants, but also the benefit of five years of qualified service over their compeers of the regular establishment in the matter of fixation of seniority, and that the same condition of service has been recognised by the Accounts Department in the case of some of those Training Reserve men who were taken over by the latter Department from the Audit Department?

(*j*) If the answer to part (*i*) above is in the affirmative, will Government be pleased to state why the same privileges, as were recognised in the case of the Training Reserve, are not extended to the qualified men of the accounts training class?

Mr. A. A. L. Parsons: (*a*) to (*j*). The Honourable Member is referred to the replies given by me on the 5th March to question Nos. 448 and 449 by the Honourable Khan Bahadur Sarfaraz Hussain Khan.

SEPARATION OF INSPECTION FROM PURCHASE IN THE CENTRAL STATIONERY OFFICE.

206. **Mr. Amar Nath Dutt:** Will Government be pleased to state what progress has been made in the direction of the separation of inspection from the purchase in the Central Stationery Office, as it obtains in the Indian Stores Department?

The Honourable Sir Bhupendra Nath Mitra: The question is under the consideration of Government.

PROMOTION OF CLERKS IN THE POST OFFICE.

207. **Mr. Amar Nath Dutt:** (*a*) Will Government be pleased to state if it is a fact that graduates and under-graduates appointed in the Post Office as leave reserve clerks are assigned positions in the Divisional and Circle gradation lists as though they were entertained five years and three years, respectively, before the dates of their permanent entry?

(*b*) Is it a fact that consequent on the above, the graduates and under-graduates are promoted as clerks much earlier than the matriculate and S.S.L.C. reserve clerks with longer service at their credit?

(*c*) Is it a fact that graduates and under-graduates entertained in any one Division are shown in the Circle gradation lists as senior to all matriculate and S.S.L.C. leave reserve clerks in the whole Circle with less than five years service?

(*d*) Will Government be pleased to state the reasons for granting the graduates and under-graduates these concessions?

(*e*) Are Government aware that, as a result of the above concession granted to the graduates and under-graduates, the other leave reserve clerks are, year after year, losing many places in the Divisional and Circle gradation lists for five years, that is, until such time as they reach the pay equivalent to the initial pay of a graduate and are promoted as clerks much later than the graduates and under-graduates with lesser service?

(*f*) Is it a fact that certain lady clerks are started on a higher scale of pay in the Post Office?

(*g*) Is not their seniority determined solely with reference to the dates of their permanent entry in the Department, irrespective of the pay drawn, and is it not ruled that when a woman clerk attains the maximum pay of her time scale, she should wait for promotion to the lowest selection grade until the men clerks who are senior to her by service have received it?

(*h*) If the answer to above be in the affirmative, will the Government be pleased to state whether they will follow the same principles in fixing the relative seniority of graduates, under-graduates and matriculate leave reserve clerks and cause the revision of the existing Divisional and Circle gradation lists? If not, will they please state their reasons?

Mr. H. A. Sams: (*a*) and (*c*). Divisional gradation lists no longer exist, but it is a fact that graduates and under-graduates appointed as clerks on the special starting pay fixed by Government are given position in the Circle gradation list as if they had been entertained in the Post Office four years and two years, respectively, before the dates of their actual permanent appointments.

(*b*) No. There is no question of promotion. The date of confirmation depends, for all clerks, on the date of their passing the departmental examination for confirmation.

(*d*) The attention of the Honourable Member is invited to paragraph 13 of Chapter II of the Report of the Postal Committee, 1920.

(*e*) Yes, the fact is generally as stated except that there is no question of promotion to clerkships; see my reply to (*b*).

(*f*) Yes.

(*g*) Yes.

(*h*) No, for reasons explained in the reply to part (*d*) above. I would also add that it is the policy of the Department to give graduates and under-graduates an opportunity of reaching the Lower Selection Grade earlier than men less qualified educationally.

INTRODUCTION OF A PROVIDENT FUND FOR GOVERNMENT EMPLOYEES.

208. **Mr. Amar Nath Dutt:** Will Government be pleased to state the probable time at which they would introduce a system in which a Provident Fund would take the place of pensions either in whole or in part for the Government employees, and the stage at which the proposal now stands?

The Honourable Sir George Schuster: The Honourable Member is referred to parts (*a*) and (*b*) of my reply to Mr. G. Sarvotham Rao's starred question No. 196 on the 29th January, 1930, published on page 336 of the Legislative Assembly Debates.

POSTAL RUNNERS EMPLOYED IN TIBET AND SIKKIM.

209. **Mr. Amar Nath Dutt:** (*a*) Will Government be pleased to state the number of runner lines in the Tibet and Sikkim territories and the total number of runners employed on them?

(*b*) How many of these runner lines are day-working and how many night-working?

(*c*) Do the runners go in batches of two or more, or is only a single runner employed in each line?

(*d*) Have Government provided the runners with arms for self-defence? If not, why not?

Mr. H. A. Sams: (*a*) to (*d*). The information is being collected and will be furnished to the Honourable Member in due course.

PROMOTION OF PASSED ACCOUNTANTS IN THE POSTAL DEPARTMENT.

210. **Mr. Amar Nath Dutt:** (*a*) Will Government be pleased to state the number of officials in each Railway Mail Service and Postal Circle in India and Burma, of the clerical time-scale, who passed the examination held for appointments as accountants?

(*b*) How many of these were appointed as Head Postmasters, as notified in the Director General's Circular No. 50, dated the 16th October, 1924?

(*c*) Is it a fact that many of these passed men are not even appointed as accountants and are not paid special pay? If so, how many men are not so employed and why?

(*d*) Have Government ordered that only those men who will pass the selection grade examination to be held shortly will be promoted to the selection grade appointments?

(*e*) In view of the assurance given by the Director General in his circular, above quoted, will Government be pleased to state whether they propose to allow all passed accountants to sit for the ensuing selection grade examination? If not, why not?

The Honourable Sir Bhupendra Nath Mitra: (*a*), (*b*) and (*c*). The information is being collected and will be furnished to the Honourable Member in due course.

(*d*) No. Passed accountants on ordinary time-scales of pay are also eligible for appointment to the lower selection grade appointments of

accountants and assistant accountants on Rs. 160—250 on condition that they pass the selection grade examination within two years of their appointment to such posts.

(*e*) The intention of the Orders referred to by the Honourable Member is not as stated by him and in this connection the Honourable Member is referred to the reply given to the Honourable Mr. Mahmood Suhrawardy's question No. 8 in the Council of State on the 19th February, 1930. It is not proposed to allow all passed accountants to sit for the selection grade examination as the selection of the candidates to appear for it is made in order of seniority. Only those passed accountants mentioned in part (*d*) of the reply who have been promoted provisionally are allowed to appear for the examination irrespective of seniority.

PROMOTIONS IN THE MADRAS POSTAL CIRCLE.

211. **Mr. Amar Nath Dutt:** (*a*) Is it a fact that the Postmaster General, Madras Circle, wrote to the Director General of Posts and Telegraphs that all the officials in his Circle, who had passed the departmental examination for Inspectors and Head Clerks to Superintendents of Post Offices had been confirmed in that cadre and that, as the selection grade examination would not come off immediately, he should be permitted to conduct the departmental examination for officials who were nominated by the Divisional Superintendents in 1927 to fill in interim vacancies in that cadre?

(*b*) Did the Director General grant the request of the Postmaster General? If not, will Government be pleased to state if they will allow these officials at least to sit for the next selection grade examination?

The Honourable Sir Bhupendra Nath Mitra: (*a*) No.

(*b*) The first part of the question does not arise. With regard to the second part it may be stated that those officials who had already been specially selected for, and promised permission to appear in, the old examination for Inspectors of Post Offices and Superintendents' Head Clerks by Heads of Circles (including the Postmaster General, Madras) were, as a special case, allowed to appear for the Lowest Selection Grade Examination held in December last.

PROMOTION OF POSTMEN.

212. **Mr. Amar Nath Dutt:** (*a*) Will Government be pleased to state the number of officials promoted from postmen and lower grades to clerkships in India and Burma who possessed less than two years service as clerks on the date of the first incremental examination held for clerks and leave reserve clerks?

(*b*) Were all the officials of this class compelled to appear for the examination on the ground that they had not completed two years service on the date of examination? How many passed in the examination?

(*c*) Is it a fact that those who did not pass the examination were reverted to their original appointments in the postmen and lower grades? How many were so reverted?

(*d*) Were not these men promoted to clerkships after they passed a prescribed test in English composition, arithmetic, etc.? If so, what was

the necessity for the Government to direct them to appear for the new examination?

(*e*) Are Government aware that such men who had more than two years service at date of examination were not asked to appear for the examination, and thus escaped the chances of reversion?

The Honourable Sir Bhupendra Nath Mitra: The information is being collected and will be furnished to the Honourable Member in due course.

ALLOWANCES FOR POSTAL OFFICIALS IN HILLY AND UNHEALTHY TRACTS IN THE MADRAS CIRCLE.

213. **Mr. Amar Nath Dutt:** (*a*) Will Government be pleased to state whether they have any proposal this year to enhance the rates of compensatory allowances and special pay for the hilly and unhealthy tracts in the Madras Circle, and if so, will they please state what rates have been proposed and whether they will be given effect to retrospectively?

(*b*) If the answer to part (*a*) be in the negative, will Government be pleased to state when they propose to sanction the enhanced rates of allowance?

The Honourable Sir Bhupendra Nath Mitra: (*a*) and (*b*). The attention of the Honourable Member is invited to paragraphs 35 and 11 of the proceedings of the Standing Finance Committee, dated the 16th and 30th January, 1930, respectively.

PROVISION OF QUARTERS FOR POSTAL AND RAILWAY MAIL SERVICE STAFF AT OOTACAMUND.

214. **Mr. Amar Nath Dutt:** (*a*) Will Government be pleased to state if they propose providing residential quarters for the Postal and Railway Mail Service staff in Ootacamund (the Nilgiris)?

(*b*) If the reply to part (*a*) be in the affirmative, when, how many and what is the total cost of the proposal?

The Honourable Sir Bhupendra Nath Mitra: (*a*) It is proposed to provide quarters for the post office staff only. Quarters are not required for the Railway Mail Service staff because Ootacamund is not the headquarters of any Railway Mail Service section or mail office. A rented rest house has already been provided for the mail guard working between Podanur and Ootacamund where the mail guard halts and rests.

(*b*) If funds permit, about 22 units of quarters will be constructed in two years. Estimates of cost are not yet ready. They are being prepared.

BROADCAST LICENCES ISSUED BY THE POST OFFICE.

215. **Mr. Amar Nath Dutt:** (*a*) Will Government be pleased to state the number of licences issued by post offices in India and Burma each year for opening broadcast wireless stations, and the amount collected therefor by the Post Office?

(*b*) What proportion of the amount do Government propose to credit as the share of the Post Office work? If none, why not?

The Honourable Sir Bhupendra Nath Mitra: (*a*) Probably the Honourable Member refers to Broadcast Receiving licences; if so, the approximate number of such licences issued by Post Offices in India and Burma year by year is as follows:

1924 issued 480.
1925 issued 1,350.
1926 issued 940.
1927 issued 3,600.
1928 issued 6,150.
1929 issued 7,670.

The fee for each license issued is Rs. 10.

(*b*) 20 per cent. is retained by the Posts and Telegraphs Department, the balance being transferred to the Indian Broadcasting Co.

COST OF THE INDIAN DEPUTATION TO THE UNIVERSAL POSTAL CONFERENCE.

216. **Mr. Amar Nath Dutt:** (*a*) Will Government be pleased to state the total cost each year for the last five years of the Indian deputation to the Universal Postal Conferences?

(*b*) Is the total cost charged to the Indian Posts and Telegraphs Department in entirety, and if so, in what proportions to the Posts and Telegraphs Departments respectively?

(*c*) Do not the Government of India share the expenditure? If not, why not?

The Honourable Sir Bhupendra Nath Mitra: (*a*) There has been only one Universal Postal Conference during the last five years, *viz.*, in 1929. The total cost of the Indian deputation was approximately Rs. 62,000.

(*b*) and (*c*). The total cost of the Indian deputation is charged wholly to the Indian Posts and Telegraphs Department and is debited exclusively to the postal branch, the reason being that it is a purely postal charge of the Government of India.

STEAMER SERVICES BETWEEN COLOMBO AND AUSTRALIA.

217. **Mr. Amar Nath Dutt:** (*a*) Is it a fact that the steamer services between Colombo and Australia have been regularised?

(*b*) Which are the contracting steamer companies and what is the amount of the subsidy paid per year out of the revenues of the Indian Posts and Telegraphs Department?

The Honourable Sir Bhupendra Nath Mitra: (*a*) The question is not quite clear. It may, however, be stated that there is a regular service of mail steamers between Colombo and Australia at intervals of about a week.

(*b*) Mails from India to Australia are sent from Colombo both by the steamers of the P. and O. S. M. Company and by the Orient S. N. Company. The former are under contract with His Majesty's Postmaster-General, and the latter with the Australian Government. No separate subsidy is paid by India for the mails sent to Australia by the P. and O. S. M. Company steamers, as the contribution made by India towards the subsidy payable to the Company by the British Post Office covers these mails.

In respect of mails sent by the ships of the Orient S. N. Company no subsidy is paid by India to the Company but transit charges are paid to the Australian Post Office according to the rates prescribed by the Universal Postal Convention. For each of the years 1924 to 1928 these charges amounted to £580-14-4.

AMOUNT COLLECTED FROM TELEPHONE PUBLIC CALL OFFICES.

218. **Mr. Amar Nath Dutt:** (*a*) Will Government be pleased to state, year by year, the amount of telephone revenues collected through the Public Call Offices opened in the Post Offices in India and Burma for the last five years?

(*b*) What share of the revenue is credited to the Post Office for its share of telephone work?

Mr. H. A. Sams: (*a*) It is regretted that as the compilation of the information asked for would be very laborious and out of proportion to the value of the result, it cannot be undertaken: in any case the complete records for the whole period are no longer available.

(*b*) No credit is afforded to the Post Office for the services rendered in connection with the working of the Public Call Offices.

SUPPLY OF STATIONERY FOR POST OFFICES.

219. **Mr. Amar Nath Dutt:** (*a*) Will Government be pleased to state the total sum spent during the year 1928-29 as allowances to Postmasters for the purchase of stationery such as sealing wax, oil, etc., for the use of their offices?

(*b*) Are these materials, except oil, supplied in kind to Railway Mail Service offices by the Department?

(*c*) Do the Government of India and the Local Governments supply articles of stationery in kind to their subordinate offices?

(*d*) Do Government propose to make arrangements for the supply in kind of the articles of stationery to Postmasters in lieu of allowances in cash? If not, why not?

The Honourable Sir Bhupendra Nath Mitra: (*a*) Rs. 3,29,218.

(*b*) All stationery articles except oil, paste, match boxes, etc., are supplied in kind to Railway Mail Service Offices.

(*c*) Yes, so far as offices subordinate to the Government of India are concerned. Government have no definite information as regards Local Governments.

(*d*) No. On account of the difficulty and expenditure involved in sending such supplies to over 20,000 post offices scattered all over India and Burma.

APPOINTMENT OF AN INDIAN AS CHEMICAL EXAMINER FOR CUSTOMS AND EXCISE, CALCUTTA.

220. **Mr. Amar Nath Dutt:** (*a*) Is it a fact that the post of the Special Chemical Adviser was not advertised after Mr. Jenks, Chemical Examiner for Customs and Excise, Calcutta, left India in July 1928?

(*b*) Do Government require that the qualification of a Special Chemical Adviser in the Customs Department should principally be of considerable experience in commercial or technical analysis akin to those carried out in the Customs laboratories and a high reputation in scientific circles as a contributor of original research work in scientific journals?

(*c*) Is it a fact that Dr. H. B. Dunnicliff of the Punjab Educational Service, being a Physical Chemist, was appointed Special Chemical Adviser in November 1928?

(*d*) Were Government aware that there were, at the time of Dr. Dunnicliff's appointment, many competent Indian chemists in India both in and outside Government service?

(*e*) If the answer to part (*d*) is in the affirmative, will Government be pleased to state why a suitable Indian was not appointed to the post?

(*f*) If Government were not aware of the fact stated in part (*d*) why was not the post of the Special Chemical Adviser advertised and applications invited for the same?

(*g*) If the post of the Special Chemical Adviser, to which Dr. Dunnicliff was appointed, was not advertised and applications not invited for the same, do Government now propose to advertise for the post to obtain, if possible, the services of a suitable Indian to the post?

The Honourable Sir George Schuster: (*a*) Yes.

(*b*) The post of Special Chemical Adviser was a temporary one. As a whole-time appointment it was maintained only from November, 1928, to the end of September, 1929. The officer's principal duties were administrative rather than connected with research work. He had to visit the various Custom Houses in order to see that the new laboratories were put into full working order and to examine the general position and make recommendations regarding the future organisation of the laboratory work and regarding the administrative relation of the laboratories to the Central Board of Revenue and *inter se*. While performing these duties, he was also required to assist with his advice, when called upon to do so, the officers in charge of the Customs laboratories. For the performance of these functions it was necessary to have an officer who combined adequate technical qualifications with experience of the Government organisation.

(*c*) Dr. Dunnicliff of the Indian Educational Service, Professor of Chemistry at the Government College, Lahore, was appointed to the post in November, 1928.

(*d*), (*e*) and (*f*). In view of the special objects of the temporary appointment in question it was necessary to obtain some fairly senior officer already in Government service. It is for this reason, and also because of its temporary character, that the post was not advertised.

(*g*) The Government of India selected the officer already in Government service and available at the pay offered who in their opinion was best suited for the work. Since September, 1929, the post of Special Chemical Adviser has ceased to be a whole-time appointment. Dr. Dunnicliff's part-time services have, by arrangement with the Government of the Punjab, been temporarily retained. Both on grounds of economy and in order to avoid a breach of continuity, the Government of India do not intend to terminate this arrangement and create a new whole-time appointment.

HOURS OF DUTY OF TELEPHONE MISTRIES.

221. **Mr. Amar Nath Dutt:** (*a*) Is it a fact that the telephone mistries and telephone operators of the Engineering Branch of the Indian Posts and Telegraphs Department, ordinarily perform fifty hours of duty in a week, without any restriction of the hours of duties on Sundays, holidays and at evening and night, whereas restrictions of duties under similar circumstances exist in case of the members of the signalling establishment? If so, will the Honourable Member in charge of the Department of Industries and Labour, be pleased to state the circumstances under which the telephone mistries and telephone operators are debarred from being admitted to the privileges which are being granted to the latter, as detailed in the Government of India communication of the Department of Commerce and Industry, No. 4830-94, dated 29th June, 1911?

(*b*) Is it a fact that the telephone operators of certain telephone exchanges, *viz.*, Gaya, Munghyr, Hazaribagh, Dinapore, etc., which are run by three telephone operators, are required to perform 56 hours of duty instead of 50 hours, without any extra or overtime allowances? If so, will Government be pleased to state the circumstances under which such an anomaly is in force? Is this contrary to memo. No. 4148, dated the 12th June, 1919, of the Government of India, Department of Commerce and Industry?

(*c*) Is it a fact that, except the outdoor workers of the Indian Posts and Telegraphs Department, only the telephone mistries and telephone operators are forced to work on Sundays and holidays without any remuneration? If so, will the Honourable Member be pleased to state if he has any intention to redress the long felt grievances of the telephone mistries and telephone operators by bringing them on to the same footing with the members of the signalling establishment, so far as the overtime allowance is concerned?

(*d*) Is it a fact that the telephone mistries and telephone operators of the big telephone exchanges are granted the privilege to work only two hours on Sundays and holidays but that the same is denied to the telephone mistries and telephone operators of the smaller exchanges?

The Honourable Sir Bhupendra Nath Mitra: (*a*) The reply to the first part of the question is in the affirmative. With regard to the second part the nature of duties of the signalling staff of the Telegraph Traffic branch differ materially from those of the Telephone mistries and Telephone operators. Government are satisfied that there is no case for exactly similar treatment in respect of hours of duties of the signalling staff and the Telephone mistries and operators.

(*b*) Enquiries are being made and the result will be communicated to the Honourable Member in due course.

(*c*) The answer to the first part is in the negative and the second part does not arise.

(*d*) No such representation has been made by the men directly concerned but enquiry will be made and the information will be supplied to the Honourable Member.

TRAINING OF APPRENTICES IN THE BENGAL NAGPUR RAILWAY WORKSHOPS AT KHARAGPUR.

222. **Mr. Amar Nath Dutt:** Will Government be pleased to place on the table a copy of their complete answers communicated to Mr. S. C. Mitra, by letters, to his starred questions in the Legislative Assembly, Nos. 819—825, dated the 26th February, 1929, Nos. 491—496 and 537, dated the 16th September, 1929, No. 644, dated the 18th September, 1929, No. 827, dated the 24th September, 1929, and Nos. 861—863, dated the 25th September, 1929, regarding apprenticeship training in the Bengal Nagpur Railway workshops at Kharagpur?

Mr. A. A. L. Parsons: I am sending to the Honourable Member copies of the replies sent to Mr. S. C. Mitra. As he will see, they are numerous and lengthy. Copies have already been placed in the Library.

LOWER SELECTION GRADE POSTS OF CLERKS IN THE TELEGRAPH DEPARTMENT AND IN THE POSTAL DEPARTMENT.

223. **Mr. Amar Nath Dutt:** Is it a fact that an examination has been introduced for the lower selection grade posts amongst the clerks in the Telegraph Department and, if so, have Government considered the question of increasing the number of posts in the above grade also, so as to equalise the proportion with that existing in the Post Office, the sister Department?

The Honourable Sir Bhupendra Nath Mitra: The reply to the first part is in the affirmative. With regard to the second part, the attention of the Honourable Member is drawn to the reply given by Mr. Rogers to his unstarred question No. 415 on the 27th March, 1929.

COMPENSATORY ALLOWANCE IN THE TELEGRAPH DAPARTMENT.

224. **Mr. Amar Nath Dutt:** Will Government be pleased to state when the question of the revision of the compensatory allowance in the Telegraph Department, in certain places, which has long been under consideration, is likely to be finally decided?

The Honourable Sir Bhupendra Nath Mitra: The Honourable Member's attention is invited to paragraph 35 of the Proceedings of the Standing Finance Committee dated the 16th January, 1930, which fully explains the case.

SELECTION OF DEPARTMENTAL CLERKS FOR THE TRAINING CLASSES IN TELEGRAPHY.

225. **Mr. Amar Nath Dutt:** (*a*) Will Government be pleased to state when the departmental clerks are likely to be selected to join the training classes in telegraphy? Is it a fact that recruitment is now open?

(*b*) Do Government intend to exempt those clerks from the age limit, as a special case, for the purpose of recruitment as telegraphists who joined the Department with the hope of becoming telegraphists? Are Government aware that, owing to there being no recruitment for the last ten or twelve years in some Circles, these clerks have become over age under the existing rules?

The Honourable Sir Bhupendra Nath Mitra: (*a*) Orders on the subject are expected to issue shortly. The reply to the second part is in the affirmative.

(*b*) The age limit has been fixed in the interest of the efficiency of the public service and Government do not intend to relax it in any case. With regard to the second part, the facts may be as stated by the Honourable Member, but Government have no precise information.

PUBLIC SERVICE COMMISSION EXAMINATION.

226. **Mr. Amar Nath Dutt:** (*a*) Is it a fact that the last Public Service Commission examination was held in December, 1926?

(*b*) Is it a fact that many permanent vacancies in the various Departments of the Government of India (civil as well as military, and the attached offices) are being filled up by unqualified men? Will Government be pleased to state when they will hold a further competitive examination so as to fill up these vacancies by qualified men permanently?

(*c*) Is it a fact that the concessions noted below were allowed by the Government of India to its employees when they last sat for the qualifying examinations, held in November 1929?

(i) Concession of age limit up to 35 years instead of 30 years in the case of permanent Government servants of Departments other than the Government of India for admission to sit in that competitive examination;

(ii) Exemption of entrance fee of Rs. 10 per head.

(*d*) Do Government propose to allow, at the next examination, the concessions referred to in part (*c*)?

(*e*) Have Government any intention to change the standard of that examination otherwise than was previously done?

The Honourable Sir James Crerar: (*a*) The Public Service Commission held a qualifying examination in November, 1929, but no open competitive examination for the ministerial service has been held since 1926.

(*b*) I have no information that permanent vacancies have been filled by unqualified men. The Public Service Commission has been asked to consider the desirability of holding a competitive examination this year.

(*c*) Yes.

(*d*) No, for there will be no more qualifying examinations of this kind, and the next examination will be open and competitive.

(*e*) Government act on the advice of the Public Service Commission in these matters. If any change is made in the standards, adequate notice will be given to intending candidates.

PAY AND ALLOWANCE OF POSTAL RUNNERS IN TIBET AND SIKKIM.

227. **Mr. Amar Nath Dutt:** (*a*) Will Government be pleased to state if it is a fact that the pay of runners employed on the Chenock-Gnatong, Gnatong-Yatung and Yatung-Pharjong runner lines was not raised in the recent revision?

(*b*) Were the runners supplied with free ration and a clothing allowance before the year 1924, but are they now given free clothing and a ration allowance of Rs. 15? If so, why was this change made?

(*c*) Has any representation been received from the runners asking for enhanced pay and ration allowance? If so, when; and what orders were passed thereon?

(*d*) What comprises a set of warm clothing for these runners? Are a pair of trousers and a coat included in the supply and, if not, have Government considered the question of supplying these articles to the runners?

(*e*) Is it a fact that some of the postal runners in the Sikkim territory are not given any allowance at all? If so, what is the reason for this discrimination?

The Honourable Sir Bhupendra Nath Mitra: (*a*) Yes.

(*b*) Yes. The change was introduced as the conditions which had justified the former arrangement had ceased to exist.

(*c*) Yes. The representation was fully considered by the Director-General and it was decided that the prayers contained therein could not be granted.

(*d*) The information is being collected and will be supplied to the Honourable Member in due course.

(*e*) Yes. Compensatory allowance or special pay can only be granted if the conditions laid down in rules 9(5) and 9(25) of the Fundamental Rules are fulfilled.

NEW PENSION RULES.

228. **Sir Zulfikar Ali Khan:** (*a*) Are Government aware that the pension rules promised by the Government of India in the Fundamental Rules promulgated in 1921, which were to replace the rules relating to pensions contained in the Civil Service Regulations, in regard to non-Gazetted Government servants, are still being awaited? Will Government please state the reasons for delaying these rules for so long a time?

(*b*) Are Government aware that the average age in India is less than 25 years against more than 50 years in England and other European countries and that this average is even lower in the case of Government servants who have to do sedentary work during their life time?

(*c*) Are Government aware that admittedly no less than 33 per cent. of Government servants die before completing 30 years' service leaving behind families for whom no provision is made in the existing rules?

(*d*) Are Government aware that thousands of Government servants who have died or have retired during the interval of about nine years since the new rules were promised have been deprived of any relief that the new rules might have brought to them or to their families and that there will be still many more who will be subjected to similar deprivations until the new rules are published?

(*e*) Are Government prepared to publish the new pension rules without any further delay?

The Honourable Sir George Schuster: (*a*) I would refer the Honourable Member to my reply to starred question No. 721 by Mr. Siddheswar Prasad Sinha published on page 1193 of the Legislative Assembly Debates for the 23rd September, 1929.

(*b*) By " average age " the Honourable Member presumably means the " average after life time ". This varies with the age of each individual. At age 21 it is about 27 years amongst the ordinary Indian population, that is two years more than what is stated by the Honourable Member. In England at the same age it is 45 years, that is five years less than what is stated by the Honourable Member. The average " after life time " of Government servants in India is considerably higher than amongst the population, and not lower, as stated by the Honourable Member. At age 21, it is 38 years, that is, 11 years more than in the ordinary population.

(*c*) It is estimated that about 25 per cent. of officers in the Superior Services die before retirement. In the case of non-superior services, the percentage is nearer 30 for those who must retire at the age of 55, but is undoubtedly higher for ministerial officers, who may remain in service till they are 60. The average length of service of members of the non-superior services who survive till they go on pension is, however, in excess of 30 years. I would incidentally mention that in the draft new Pension Rules there is no provision for granting relief to the families of Government servants who die in service.

(*d*) The Honourable Member is apparently under the impression that the new Pension Rules are to be markedly more liberal than the existing rules. This is incorrect. The draft rules differ from the existing rules mainly in form, though they contain some minor concessions regarding the inclusion of pay drawn in temporary and officiating posts in certain circumstances in "pensionable pay"—*i.e.*, the average pay of the final three years on which pension is calculated.

(*e*) The Honourable Member's attention is invited to my reply to starred question No. 94 published on page 102 of the Legislative Assembly Debates for the 21st January, 1930.

PRE-AUDIT OF PAY BILLS.

229. **Mr. Adit Prasad Sinha:** (*a*) Will Government be pleased to state whether a system of pre-audit is conducted prior to the payment of all bills which are paid to officials in Delhi and New Delhi, or whether it is restricted to particular areas and Departments? If so, what are the areas and Departments affected?

(*b*) Are the pre-audited payments a conclusive check, or can they be revoked subsequently by objections under post-audit?

(*c*) Are Government aware that bills pre-audited are inordinately delayed and that payees are thereby caused inconvenience?

(*d*) Is pre-audit carried out throughout the Punjab and the North-West Frontier Circle of the Posts and Telegraphs Department, or is it limited merely to particular zones?

(*e*) If restricted, what then justifies the necessity for pre-audit?

(*f*) When were the supplementary salary bills of the Central Telegraph Office, New Delhi, paid during the calendar year ending the 31st December, 1929?

(*g*) With whom does the delay, above, if any, rest?

(*h*) Was the matter of delays ever brought to the notice of Government and with what result by inspecting officers?

(*i*) Are Government prepared to institute such adequate measures that will render such delays impossible in the future?

The Honourable Sir George Schuster: The information is being collected and will be furnished to the Honourable Member.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following Message has been received from the Secretary of the Council of State:

"I am directed to inform you that the Council of State has, at its meeting held on the 4th March, 1930, agreed without any amendments to the following Bills which were passed by the Legislative Assembly at its meeting held on the 29th January, 1930, namely:

1. A Bill to amend the Transfer of Property (Amendment) Act, 1929, for a certain purpose;
2. A Bill to define and amend the law relating to the sale of goods; and
3. A Bill to amend the Indian Contract Act, 1872."

AMENDMENT OF STANDING ORDER.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir James Crerar (Home Member): Sir, I present the Report of the Select Committee on the proposed amendment of Standing Order No. 40.

THE GENERAL BUDGET—GENERAL DISCUSSION—*concld.*

Mr. President: The House will now resume the general discussion of the Budget.

Mr. Ghanshyam Das Birla (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Sir, let me tell this House at the outset that I do not find myself in a position to congratulate the Honourable the Finance Member on the Budget which he has presented. All I can do is to sympathise with him as much as a doctor can sympathise with a patient who is addicted to some poisonous drugs, and who is not prepared to take the treatment of an expert physician. I realise, Sir, and it has been admitted on this side of the House, that the Finance Member has inherited a deadly legacy from his predecessor; but, that is no justification for his clinging to the old policy as a child clings to the bosom of its mother.

Sir, when I made my forecast at the annual session of the Federation, I was rebuked by my friend the Finance Member as being an alarmist. I was dubbed a Jeremiah; in fact, I was given a tip by my friend Sir George Schuster that, following the American example in a similar situation, instead of promoting, as he said I was doing, a Black Clouds League, I ought to promote a Sunshine League, a Smilers' League. I had expected that, when I returned to Delhi to take part in the budget debate, I would find every Member on the Treasury Benches wearing a badge of the Sunshine League; but, Sir, I was very much disappointed. The first seceder from his Sunshine League was the Honourable Sir George Rainy who applied for membership to the Black Clouds League when he was faced with a Deficit Budget. Then, Sir, the membership of the Black Clouds League began to swell. Finance Members of almost all the provinces were seen jostling one another at the door of the Black Clouds League as applicants for membership, and last but not least to join them is my friend the Honourable Sir George Schuster himself. This shall I say is the final blow to his pet scheme of a Sunshine League.

But, Sir, if we have been right, and the Government of India have been wrong, if the Sunshine League has collapsed, that is no consolation to us. After all, whether it is due to our faults or to the faults of the Government of India, we are the people who must ultimately suffer. Therefore, Sir, it is the duty of this House to pause and reflect whether this is the end of our troubles or only the beginning thereof. We ought very seriously to consider whether the hole of five crores which it is proposed to make in the pocket of the Indian taxpayer is going to relieve us of all our troubles. Sir, I am afraid this is only the beginning of our troubles, and that being so, the last thing which a Government ought to do is to impose new taxation. Sir, I do not want to play the role of a Jeremiah, as has been suggested by my friend the Honourable Sir George Schuster. But all the same, it is necessary for this House to know what the situation is. Five crores are going to be paid in the course of this year by the Indian taxpayer, and about seven or eight crores, the accrued liability on account of the Postal Certificates, are simply being postponed. Let us now examine the composition of the Paper Currency Reserves. There you have a load of *ad hoc* securities, and you have a silver holding which has immensely depreciated in value. If all the notes and the silver rupees were presented today to the Government of India to be exchanged into gold, I know, as well as the Honourable the Finance Member does, that he could not pay even nine pence per rupee in gold, to say nothing of 1*s*. 6*d*. the rate which he is artificially maintaining. I am not criticising the exchange. What I want to point out at this stage is this, that our financial position is very weak, and this House and the country should pause to reflect whether the solution which has been offered by the Finance Member is the correct solution.

Sir, I ask myself what a sound financier should have done under those circumstances, and whether Sir George Schuster has done it. Any new taxation may serve as a sort of patchwork, but it cannot create money. It merely transfers money from one pocket to another. What we require at this stage is not new taxation but creation of more money, creation of prosperity in the country, so that eventually the Budget may find itself squared automatically. Taxation is quite a good policy if our trouble is temporary, but ours is not a temporary trouble.

[Mr. Ghanshyam Das Birla.]

The first thing wanted today is retrenchment, ruthless and drastic. I have been repeating for the last three years that the first thing that the Government should do, until we can see any sign of prosperity on the horizon, is retrenchment. Sir, I am afraid I am not satisfied with the action which the Honourable the Finance Member has taken. He has appointed a Retrenchment Officer. Now we all know the Retrenchment Officer cannot lay his hands on a policy which may be already prescribed. All he can do is to find out for himself whether, under the policy enunciated by the Government, he could make any retrenchment. He cannot have the courage to tell the Government, "Do this, and do not do that". This can only be done by an independent authority. It is up to this House to review the growth of expenditure from year to year and to have the pruning knife applied by a representative committee appointed for the purpose. I may ask the Government of India, where in view of our slender financial resources was the necessity to undertake new obligations every year. If you look at the net expenditure on civil administration, you find that in 1923-24 it stood at 8·65 crores, and it is now 12·20 crores, an increase of about 3½ crores. We have started civil aviation, and in spite of a very bad year, we have gone in for broadcasting. All these things are very good for a country which is prosperous, but for India, where millions are starving, this is a sheer luxury. So far as criticisms are concerned, we have concentrated on military expenditure, and rightly too. I believe there is great scope for retrenchment there, but what I want to add is that in almost every Department of the Government, if an independent authority made the investigation, he would find that there is equally wide room for retrenchment. Under the circumstances, I am against all new taxation.

I do not propose today, in my speech, to deal with the proposed taxation on its merits. I hope, Sir, with your permission, I shall have opportunities of doing that later on. Nor, do I wish to say anything about Imperial Preference today. My views are too well known. I am strongly opposed to any policy of Imperial Preference at this stage, and I hope the Government will realise the strength of opinion held on this side of the House, and will modify their views. All I want to do at this stage is to draw the attention of this House to the seriousness of the situation, and to the need of retrenchment and a policy of construction which may eventually lead to prosperity. The Budget is lacking in these two directions. There is neither retrenchment, nor any constructive scheme and therefore I condemn this Budget.

Figures were produced by Sir George Schuster at the annual session of the Federation to show that things were not as bad as they were painted. I think, Sir, with your permission, I may give for the information of this House a few figures to show that the purchasing power of the masses is very low and there is no improvement worth the name as compared with the pre-war period. In some respects, indeed, we are in a worse position. Let us take first of all the consumption of cloth. In 1913-14, the annual consumption *per capita* stood at 16·28 yards. In 1928-29 it was 14·9 yards. Even if we take the average of the three years ending 1914-15, it stood at 15·48 and if we take the consumption on the basis of a population of 320 millions the average for 1926-27 to 1928-29 comes to 15·97 and as I am sure the population has increased,

it is not much higher than that at present. Then, Sir, take the consumption of sugar. In 1912-13 the annual consumption *per capita* was 23 pounds. It is not higher than that today. The figure which I have quoted for 1912-13 is for the whole of India, while the figure for 1926-27 which is available is only for British India, which shows the consumption at 27·28 pounds, and if we deduced from it the figure for the whole of India it might be just about the same. Then, Sir, Sir George Schuster maintained that the consumption of food-stuffs has much increased. He cited figures of consumption of rice, but he very conveniently forgot to take into account the consumption of other food grains. If we take the consumption of cereals such as wheat, rice and minor food grains, we find that, while on a rough estimate in 1914-15 it stood at 365 pounds *per capita*, for 1923-24 to 1927-28 it was 360 pounds, a reduction of 5 pounds per head per annum.

Then, Sir, much has been made of the imports of treasure. It was maintained by Sir George Schuster, and by other high authorities, that, since 1900, we have imported gold to the extent of 400 million pounds, and therefore India must be rich. Now, Sir, if we are to rely on that argument, the logical conclusion to which we should come about England would be that England is a poorer country than India, because her total gold resources at present amount to only 150 million pounds. What is, after all, our consumption per year? The net private imports of treasure were for the pre-war period about Rs. 1-2-4 per head. It is now Rs. 1-3-8 per head. Just consider for a moment every man consuming gold and silver to the extent of about Rs. 1-4-0 per annum, and it being maintained that we are a very rich country. Sir, it is conveniently forgotten that, what is called hoarding in India, is not actual hoarding in the sense in which it is understood, but that it is consumption and investment, both combined, and it is so because of want of banking facilities in this country for putting money in good investments. If we compare the total deposits held by banks in England, we shall find that, against a circulation of total notes and coin of 360 millions. the deposits held by banks amount to 2,000 million sterling. That is, the deposit is five times more than the circulation of currency. And what do we find in India? The Honourable the Finance Member may correct me, but I think the total currency amounts to about 500 crores, if we take into account all the rupee coins which are in circulation; and the deposits held by banks are about 200 crores. This means that, while the deposits held in banks in India are about 40 per cent. of the total circulation, in England the deposits are about 5 times more than the circulation. Sir, this gives the reason for the system of hoarding, which is so much criticised by our European friends, both official and non-official. When we have more banks in this country and better facilities for investment, surely the tendency of this country to consume gold must decrease. But if the Government want that the responsible people in this country at this stage should discourage people against buying more gold and encourage them to put their money in Government securities, they are bound to be disappointed. And I will give you the reason why. Let us ask for the accounts of gold which was purchased from time to time by the Government of India and the way in which they spent it. If we take the account from 1900 to 1929, we shall find that gold resources to the extent of 140 crores were frittered away by the Government for maintaining the exchange first at 1*s*. 4*d*., then at 2*s*. and afterwards at 1*s*. 6*d*.

[Mr. Ghanshyam Das Birla.]

Now, Sir, I do not know how the Government can expect the Indian people to deposit their gold with the Government of India in exchange for Government securities. I want to make it clear that, until we get freedom, until we get full control over the fiscal policy of the Government, and until we are the masters in our own house, I would be the last person to dissuade the Indian people from buying more gold or encourage them to invest money in Postal Certificates and such other things. I say this on account of the bitter experience which we have had in the past. Everybody knows how the Government dissipated our resources. Sir, I would like to ask the Government what guarantee there is that, if once the people of this country decided to hand over their gold to the Government of India, it would not be misused, as it has been misused in the past. I would therefore be very chary of handing over my gold deposits to the Government until I feel certain that I have got control over their policy, and until I know that the Government are not going to abuse their powers, as they have done in the past. Of the many "stupid" things which the Indian masses are represented to have done, there is one at least for which I admire their instinct, and which I think it was quite sensible on their part to do, and that is investing their savings in the precious metals.

One point more, Sir, and then I will bring my remarks to a conclusion. I find that the Honourable the Finance Member is in agreement with us at least on one point, and that is, that he realises the necessity of increasing the productivity of the country. But mere sympathy will not do. What we want is some concrete scheme, and I am very much disappointed that I did not find any concrete scheme in his budget speech in that direction. I will go further and tell this House that it is impossible to launch any constructive measures under the present financial policy of the Government. Let me give an illustration. Suppose we decided today that the Gold Standard Reserve which amounts to about 60 crores should be merged in the Paper Currency Reserve, and that about 60 crores of silver rupees should be taken out of the Paper Currency Reserve and given in loans to the cultivator for increasing his productivity. What will be the effect? The moment you put your money in circulation, the exchange begins to go down. And my friend, the Honourable the Finance Member, cannot sacrifice his 1*s*. 6*d*. ratio. He must maintain the exchange at 1*s*. 6*d* at any cost. Any constructive scheme must require money, whether by way of subsidy or loan, and the moment we begin to put money in circulation, the money market weakens, the exchange weakens, and the interest rate goes down. This is the difficulty. No matter whither we go, we cannot get out of our way the stumbling block of the ratio which has become a part of the policy of the Government. Therefore, it is impossible to put forward any constructive scheme until the Government of India are prepared to forget that they have got to do any such thing as the maintenance of exchange at 1*s*. 6*d*. However, the duty of this House is quite clear. We know that we have not got any responsibility in this Government; we know that we have got no control over this Government; yet we have got our duty towards the country, and all that we can do, is to draw the attention of the country to it, and agitate for that. I wish to warn the Government again, as I have done in the past, against the disastrous consequences of the present policy.

Although I am not at all happy that our predictions have come out to be true, all the same I think it is the clear duty of every Member on this side of the House to draw attention to the serious situation through which we are passing. Sir, I would like to warn the Government again that this is not the end of the trouble; it is only the beginning. And if we want to save ourselves from the dire consequences, the only thing we can do and should do is to compel the Government to carry out a policy of ruthless retrenchment. Until that is done, I am afraid it will be difficult to find ourselves in a better position.

Mr. W. S. Lamb (Burma: European): Sir, the speakers to whom I have listened in this discussion have avoided for some reason anything more than a broad reference to the taxes proposed by the Finance Member. I do not intend to follow their example because, in the first place, I have, unlike some other Honourable Members, a pleasing duty to perform, and further I desire to deal faithfully, if possible, with one of the proposals of the Honourable the Finance Member. Yearly, Sir, since I came to this Assembly, I have raised my voice in an effort to draw some word of comfort for Burma from a Finance Member. Three years ago I thought I had that comfort, and at this stage of the discussion of the Budget I gave my unqualified thanks for the remission of the duty on hides. That duty is still on the Statute-book and that fact diminishes in some degree the pleasure with which I contemplate the reduction of the export duty on rice by 25 per cent. My full blessings will descend upon the head of the Finance Member when I see the Finance Bill and this proposal steadily going towards the Statute-book But, although I will not say all I might say about this belated operation, there is, in the speech of the Honourable the Finance Member, something which I can accept gladly and without any mental reservation. I refer to his words:

> "I hope that this plan will commend itself to the House as an act of justice and a step in the right direction."

I think there is in that an admission, an admission that for Burma, in the condition of the rice business as it has been for the last four or five years, to be called upon to pay something approaching a crore of rupees a year has been absolutely unjust and a reflection upon those responsible for the financial arrangements between the provinces and the Central Government. The Honourable the Finance Member has re-

12 NOON. ferred to the fact that this reduction means that Burma will pay the same sum as the producers of rice do in Siam. The fact that there was a difference against Burma was merely an aggravation of the offence, and it is not sufficient only to take that off. I should like to have from the Honourable the Finance Member, when he comes to reply to this debate, a positive assurance that Burma may expect the remainder of this tax to be removed when the finances of the country permit of it; that is, that if Burma is to remain attached to India and be concerned in the next financial settlement, this crore of rupees or whatever it may be is not going to be used as an argument against Burma's legitimate demands.

I come now, Sir, to proposals which I cannot bless, namely, those contained in paragraph 64 of the Honourable the Finance Member's speech, namely, an increase in excise duty on kerosene and a diminution in the import duty on the same. Sir, it is quite proper for the Honourable the Finance Member to consider that he acquires merit when he deals with the import duty on cotton with unusual frankness, but here when he comes

[Mr. W. S. Lamb.]

to kerosene, that is a matter of the oil business, which is one of the key industries of Burma and India, he dismisses the questions raised by his proposals in, what shall I say, a short paragraph, with what I might call an ashamed terseness, saying little, but meaning apparently a whole volume. Therefore, before I make particular comment upon his desire to place an additional 50 lakhs on the already overburdened oil companies, I would speak of what is nebulous but apparently fraught with meaning. For what seriously disturbs me—and I think it is known to Honourable Members that I myself have an interest in one of the smaller oil companies —what disturbs me on behalf of the oil companies is the import of his words, "we have thought that we have gone as far as it would be wise to go, at least as a first step". First step towards what? Is it the immolation of the indigenous oil companies and the apotheosis of the Standard Oil Company and other foreign producers? I say there is nothing fantastic in such a suggestion and I think, Sir, that to deal adequately with this little paragraph, I should have the eloquence, perhaps I should have a little of the vituperative eloquence, of our Honourable Members opposite. For, what do we have in the budget proposals? There is proposed a protection for cotton and for sugar, but when it comes to oil, the House is asked, in effect to accept and applaud the principle that indigenous oil companies require no protection. Here, Sir, is a question of vast importance to the oil companies and to India, and the House is asked to accept the principle with no more than a small paragraph which, as a matter of plain fact, advances no reason whatever for a departure from a policy which has been of immense benefit to India. Government may be right—I do not agree that they are—they may be right in asking this House to take a first step, a step which will signify their acceptance of a principle, but is it suggested that it is possible, on the floor of this House, to come to such a momentous conclusion with nothing more before us than a statement from the Honourable the Finance Member that he and his Government are of a certain opinion? If Government are of a certain mind towards indigenous oil companies, is it not their bounden duty to exhibit to this House such evidence as will enable Honourable Members to come to a thorough, properly considered conclusion? As it is, quite apart from this principle that they are asking us to accept, today this House is asked to confirm and applaud a *caveat* to the oil companies, that they should at once reduce their returns. It does not actually amount to a reduction of prices, but what it amounts to is that they should reduce their returns of four annas per unit of two tins in order that these 50 lakhs—it is not merely in order that the Honourable the Finance Member should secure the money that he requires towards his Budget,—but in order that the sum of 15 lakhs out of 50 lakhs should go to the Standard Oil Company or other foreign importers. Therefore, Sir, it is a direct attack against the oil companies. The Honourable the Finance Member, I would explain, wants 35 lakhs from this source, but he takes 50 lakhs—half a crore—and gives 15 lakhs to the Standard Oil Company as, I may say to Honourable Members, a free gift which brings no good whatever to India. The Honourable the Finance Member, of course, has not put it that way. He says that they, the Government, decided to make a change which should at least ensure that the price of ordinary kerosene to the consumer is not increased. I am at a loss to understand this statement. At this present moment,

as always except during a war of rates, the price in India is at the maximum prescribed by the indigenous oil companies, and this maximum, at the moment, is very appreciably below the world parity prices. That being so, naturally the Standard Oil Company, who have to sell in the same market, have to keep their prices also very much below the world parity prices, and although I am not in their confidence, I have not the slightest doubt that they will have the greatest pleasure in following the example of the indigenous companies when there is an increase in prices to meet this imposition of four annas. The effect of this proposal is to give the Standard Oil Company and the foreign importers, not merely 15 lakhs, owing to the remission of the import duty, but an increased profit on their sales of oil in India. Sir, that sounds uncommonly like brotherly love, and it is very unlike the treatment that the Honourable the Finance Member desires to mete out to those smaller companies for whom he suggests he has an adequate sympathy. Let me tell the House and the Honourable Members that, out of these 50 lakhs, the smaller companies would have to pay 10 or 12 lakhs annually—a heavy burden to add to the load already carried by these oil companies. Actually I may say that there are oil companies which are engaged in as difficult a struggle for existence at present prices as cotton mills in Bombay. It may be, you may think that, if the price is increased as I suggested it will be, they will recover this four annas, and they will not suffer this loss. But I would point out to Honourable Members that there is no certainty that the present rates in India shall be maintained. Any day there may be further heavy and considerable cuts in the world prices of kerosene, and then you will have companies in India attacked by foreign importers and you will have them compelled to fight for their very existence. Therefore, Sir, if such a situation develops, how can the smaller companies possibly continue to live if they have a protection of not more than 9 pies per gallon, and this additional heavy burden of 4 annas per unit, which actually represents 6 per cent. on the full gross selling price in Calcutta, a price which of course contains the freight from Rangoon to that port?

Now, Sir, I have no doubt—at least I think it is very possible—that when the Honourable the Finance Member contemplates the oil situation, he thinks of it in terms of the predominant producer in India. I would suggest to him and to the House that they are being treated with an extraordinary lack of consideration, and I would remind the House that, during the last three or four years, the Tariff Board spent months and months upon inquiries into what is called by the sacred name of equalisation of customs duty. That is, any small manufacturer who makes up his mind that he is going to make something, using raw materials which are brought from outside India, goes up to Government and says, "I am suffering and losing perhaps 1,500 or 2,000 rupees a year". The Tariff Board promptly sits down, and you can see in the Library the results of their findings in such matters. This question of export duty and excise duty is somewhat akin to this equalisation and I would suggest to Honourable Members that surely indigenous oil companies, who belong to India, who produce the oil from the bowels of India, bringing much revenue to the provinces, and particularly to neglected Burma, are entitled to more consideration than is represented by a small paragraph that effectually conceals the thoughts which have inspired Government to give those 15 lakhs to foreign importers. I trust that when the Finance Bill comes to be considered, Honourable Members will show their repugnance quite definitely towards proposals which mean taking half a crore, that is,

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this 50 lakhs, out of the consumers of India in support of a principle which they have had no opportunity of debating.

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Mr. President, I must deem myself really fortunate in catching your eye. I thank you, Sir, for giving me an opportunity of expressing my views regarding this Budget. My excuse in taking part in this discussion is that I consider that I will be failing in my duty to my constituency if I do not express my views, and if I do not express the utter disappointment with which the country has received this deficit Budget and the entirely wrong way in which the Honourable the Finance Member tried to tackle the solution of making good this deficiency.

Sir, the Honourable Member referred, at the very outset of his speech, to the various causes that have contributed to this state of affairs in this country, some causes which are peculiar to the conditions in India and others which are due to the disturbances of world conditions, especially in the United States of America, which have indirectly contributed to the depression of the commerce and industries of this country. But whether this present state is due to the causes which the Finance Member has attributed or to the ruinous exchange policy and the mishandling of the currency of the country by the Honourable Member's predecessor, as some of the Indian financiers have said, I leave to the better and well-informed Members of this Assembly to discuss and thresh out and lay bare before this Assembly. But it is common ground that a very difficult situation has arisen in this country. Now, my point is, has the Honourable the Finance Member followed the salutary dictum which he set before himself in his last budget speech? He stated in the opening paragraph of his last year's budget speech:

> "If my period of office is blessed with a series of good monsoons, my task may be comparatively easy. If not, I know that I may have to encounter difficulties. But difficulties are also opportunities, for, it is by these that a system is tested, and success in overcoming them may lead to its permanent strengthening . . . . If I have an ambition, it is this, that whether we encounter bad seasons or good, you should be able to say of me when my work is done, that I served your country at least to the utmost of my powers and that in all that I did, my main thought was for the interests of the people of India."

Sir, my point is, has the Finance Member taken this opportunity of the difficult situation and tried to do some lasting good to the country in the shape of reducing the heavy military expenditure and the other heavy civil administration expenses, or has he, instead of doing that, tried to impose some additional taxation upon the already heavily burdened taxpayers of India in order to fill up the deficit of 4½ crores? Sir, I will pass in brief and rapid review some of the additional measures that he has proposed for the consideration of this House.

First and foremost is the protective duty on cotton. With regard to the 4 per cent. protective duty, everyone, especially the millowners of Bombay, and not only the Bombay millowners but the up-country millowners also, will welcome it. And further, even though it may entail some additional cost on the consumers, yet the consumers also will welcome this, because it will give some relief to the indigenous millowners, which they are sorely in need of. But what I do oppose is the 5 per cent. duty on all cotton goods imported from various countries except Great Britain, and thus the introduction of this Imperial Preference. If it is to serve as a protective duty, by all means let it be made universal, and it may be made applicable to Great Britain also; but instead of that if preference is shown to Great Britain, the goods that would have been coming from Japan and other foreign countries would flow from Great Britain and thus there is no real protection to the Indian manufacturer. Then what will be the result? We will incur the odium of the other countries without getting any comparative benefit. If the goods do not come from other countries, and such goods come through Great Britain, it is something like fortifying a fort, allowing a breech to remain through which others can enter. The Finance Member stated that this duty is only for three years, and after three years, or within that period, the Tariff Board will consider the situation and give their opinion. Sir, this is something like putting the cart before the horse. After all, it is an experiment, and this experiment must be tried by the Tariff Board. The Tariff Board must inquire into it, must go into the *pros* and *cons* of it and then when it is found beneficial, it must be introduced.

The next is the kerosene duty. This must really adversely affect the indigenous industry. On account of this excise duty, the indigenous companies will raise the price of the kerosene in geometrical proportion. There is reduction also in the import duty on foreign kerosene, but this reduction is not such as to counteract the increase in prices, and this certainly will adversely affect the consumers.

Then with regard to the import duty on sugar, as an agriculturist, I welcome this because sugar is consumed only by the middle and higher classes and this will give an impetus to the sugarcane cultivation by the rural classes, and so I welcome this.

With regard to the import duty on silver, I oppose this, because the whole burden will fall upon the Indian buyer, and that is the middle and poorer classes. The Indian consumer has to pay for the purchase of silver over and above the world market rate, and after some time when this duty is removed and the value of the silver is *ipso facto* reduced, this consumer will become the poorer for it.

Thus the Honourable the Finance Member has explored all these sources whereon to impose additional taxation, without boldly facing the issue and cutting down the military and civil administration expenditure. This is the time to observe economy and retrenchment and not to impose additional taxation. Sir, I do not owe any apology to this House if I venture to harp upon the same old theme of the reduction of military expenditure. It is common knowledge that it is eating away very nearly half of the gross income of this country. The Brussels Convention, to which India is also a party, has set 20 per cent. of the gross revenue as the amount that should properly be spent on the military.

Sir Hari Singh Gour (Central Provinces Hindi Division: Non-Muhammadan): They say 20 per cent. is excessive.

Mr. T. N. Ramakrishna Reddi: I am glad that my Honourable friend says that it is excessive. Even the Retrenchment Committee has put it at 50 crores. In spite of all these years, the Government have not seen their way to reduce the expenditure at least to that amount. What have the Government done? They have fixed 55 crores of rupees annually as the amount they should spend for four years. Of course the Military Department have asked for 10 crores more for modernisation and mechanisation of the Army. The Honourab'e the Finance Member has spread this amount

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over four years during which time the amount of 10 crores is to be spent out of the 55 crores fixed annually for the four years. Now, in the present Budget he has reduced the amount by 80 lakhs. When I rubbed my eyes and saw, it was not really a reduction. He has spread these 10 crores, not over a period of four years but over a period of five years, and thus the agony of the Indian taxpayer is lengthened by one more year. The Indian taxpayer thought that he would get some relief at the end of four years to the extent of 2½ crores. But one more year is added, and thus he has to postpone the enjoyment of the fruits of it by one more year. And then, what is our position after five years? Well, Sir, now-a-days, in the modern days of invention and improvement, and especially the improvement of destructive mechanism, this mechanisation and other improvements will become obsolete and antiquated by the end of five years, and then the Finance Member, or his successor, might come forward with a further demand of 10 crores, saying that all that has been carried out during these five years has become obsolete and new machinery has come in and new mechanisation must be introduced. So, as long as the Military Budget is a non-votable one, there is absolutely no guarantee that there will be any reduction in expenditure after any number of years. Now, Sir, is there any possibility of reducing this Military Budget further than the 55 crores of rupees? The Budget, before the Retrenchment Committee, stood at about 70 crores and gradually they have reduced it, and now they have come to 55 crores. Has India come to an end by this reduction? Again, what is the sanctity with regard to this 55 crores for three more years? What is the untouchability for three more years with regard to this sum of 55 crores? Now that there is a deficiency of nearly 5 crores, it must have opened the eyes of the Honourable the Finance Member to see to the reduction of this military expenditure. Over and above that, we have got 24 lakhs and odd given for civil aviation and 5 lakhs and odd for the Territorial Army. Further, we are spending some crores of rupees on strategic railways. All this must be included under the military expenditure. If you include all this, it will become an abnormal amount. Now if there is no way of reducing the military expenditure in this way, why do not the Honourable the Finance Member and the Government of India ask His Majesty's Government to contribute something towards this military expenditure? We have got no less an authority than Mr. Ramsay MacDonald, who is now the Prime Minister of England, who in his book on the Government of India, says: (*An Honourable Member*: "It is out of date".)

"A large part of the Army in India, certainly one-half of the Imperial Army which England requires for other than purely Indian purposes and the cost therefore should be met from Imperial and not Indian funds."

Thus we have the authority of no less a person than the Prime Minister of England. It may be out of date some years hence, but it is in time this year because the author of the book is now the Prime Minister of England, and this is a very opportune moment for the Government of India to ask the Government of England to contribute to the military expenditure.

Now, if that is also not possible, there is also another method, and that is the Indianisation of the Army. Many competent persons, the greatest Generals, have spoken about the efficiency of the Indian sepoy. The latest encomium has come from no less a person than President Von Hindenburg, the President of the German Republic. Very recently he stated, before some Indians who went to see him, that the Indian sepoy is a very great fighting element. Now, according to the Inchcape Committee, they arrived

at the average expenditure on a British soldier of Rs. 200, and on an Indian sepoy of Rs. 34 per mensem. So a British soldier really is six times costlier than an Indian sepoy. Thus, by Indianisation of the Army, you can reduce the military expenditure to a great extent. Now, Sir, we hear of the Naval Conference of the greatest nations of the world who are discussing how far it will be possible to minimise expenses on armaments. Is this not the time, I ask, for the Honourable the Finance Member to follow the lead of those great nations, and see his way to cut down our military expenditure?

Then, Sir, regarding civil expenditure, the Honourable the Finance Member himself has stated that it has already become top heavy. In his budget speech, on page 41, he has stated that he requires Rs. 60 lakhs more for civil administration than the previous year. In his last budget speech he stated:

"The group head Civil Administration shows a very large increase of 1,18 lakhs, a matter which demands a special explanation."

Again, in his reply speech, in reply to the Honourable Mr. Birla, he stated:

"My Honourable friend went on to say that there was little hope of new taxation or at least that we ought not to look to that as a method of strengthening our machinery. He said retrenchment should be the sign word in our programme. I have already made reference to that in my budget speech. Honourable Members will recall to mind the three reasons which I gave for seeking to make no change in our system of taxation this year. My second reason was that, before I suggested any change, I thought the time had come for the Government to review the whole of its expenditure. I think the time has come. It is already several years since the last Retrenchment Committee investigated affairs, and I think it is always a good thing to overhaul the machine from time to time."

Thus, the Finance Member himself has felt that the time has come for a thorough overhauling of the civil administration. Year after year, many lakhs have been added to the expenses of civil administration. Now he has himself proposed, in one of the paragraphs in his budget speech, the appointment of a special officer to look into possibilities of retrenchment. In the same paragraph he has stated that:

"It is, in my opinion, necessary to carry out a very close detailed investigation of the causes which have led in the past, and are still leading, to a steady increase in expenditure."

But in a subsequent paragraph he says:

"But I should be deceiving this Assembly if I were to hold out any expectation of large economies in this direction."

So we can easily see what amount of retrenchment proposals this officer, appointed by the Government of India, would lay before Government for consideration when the Honourable the Finance Member himself has clearly expressed the opinion that there is no hope of any reductions there. So, that is not the person who should be in charge of retrenchment. As the Honourable Mr. Birla pointed out, just now an independent retrenchment committee—a standing committee—must be appointed, composed of non-officials and officials, who should go through the various items of expenditure and suggest ways in which the expenses could be cut short.

Then, Sir, I come to my last point with regard to the nation-building departments. What has the Honourable the Finance Member done with regard to these nation-building departments, the importance of which he has over and over again emphasised in his budget speeches?

Mr. President: The Honourable Member must now conclude.

Mr. T. N. Ramakrishna Reddi: I am on my last point, Sir, I will just conclude. In the last budget discussion the Honourable the Finance Member stated:

"I would say to my Honourable friend, Pandit Madan Mohan Malaviya, that the only way in which that can be done is by improving the position of the agriculturist by the combined effort of Government and of all those interested in the welfare of India . . . directed to the extension of education and to the encouragement . . . and introduction of improved methods of agriculture. Anything else is more than a quack remedy."

And he has also said the very same thing again in this year's budget speech. He says:

"After all, it is in the hands of the Provincial Governments that the real nation-building services lie, and the two great needs for India are agricultural development and, as a necessary condition of its success, the increase of a really effective form of primary education. Of all the tasks, the responsibility for which my present office lays upon me, that which I take most seriously is the duty of finding revenue in order that those provinces which are at present handicapped by financial difficulties, may make a great start forward in developing the services which the country really needs . . . "

The Finance Member himself has felt the need of improving the condition of the agriculturists in India, but what has he done? He has only provided Rs. 5 lakhs, and that sum of Rs. 5 lakhs is intended only for the Agricultural Research Institute; it does not reach the actual cultivator. What the Agricultural Commission recommended was that any money that was provided should reach the ordinary cultivator. That is the real remedy which they suggested. They said:

"Lord Curzon's Government fully realised that a central institution under the direct control of the Government of India would be valueless unless there were at the same time real development of agriculture in the provinces."

Thus, the wealth of the nation lies in the agriculturists, and it is the duty of any Government to improve the condition of the agriculturist. That can be done, not by spending money on research institutions at Pusa or Simla, but by reaching the agriculturist, by introducing demonstration farms in each and every village, and by bringing home to the villagers the improved methods of agriculture. That is the only real and effective way in which to improve the agricultural conditions of India, but for that nothing has been provided. The Honourable the Finance Member may say that it is a provincial subject, but it is common knowledge that the Provincial Governments have not sufficient money to develop this, and it is the duty of the Government of India to come to their rescue. There is also another subject. . . . . .

Mr. President: Order, order. Mr. K. C. Roy.

Mr. K. C. Roy (Bengal: Nominated Non-Official): Sir, whatever may be the differences upon the merits of the budget proposals presented by the Honourable Sir George Schuster, there can be no denying the fact that the House is deeply grateful to him for his fair and unvarnished account of the Indian financial position, as disclosed to this House by him the other day. (Hear, hear.) His analysis of the position has fully borne out the prognostications made by eminent financiers sitting on the other side, notably my Honourable friends, Sir Purshotamdas Thakurdas and Mr. Birla, with whom I should like to associate the name of Mr. Chetty. The forecast

which was given by Sir Basil Blackett on the eve of his departure from India has unfortunately been belied. I do not deny that he made the forecast with a sense of honesty and sincerity. Sir Basil Blackett's prophecy has been falsified. There is no doubt on that point. Between Mr. Birla and Sir George Schuster there is little room for difference on matters of fact, but there is a great deal of difference in the conclusion, for while Mr. Birla has pointed out to this House that we are at the beginning of our trouble. Sir George Schuster has maintained, in the concluding paragraph of his Budget Statement, that we shall be at the end of our troubles if we accept his financial propositions. I hope, Sir, that the forecast which Sir George Schuster has made in the best interests of India will be realised. In making prophecies in financial matters, one has got to realise world conditions as well as the somewhat unsettled and uncertain climatic conditions of India in regard to the monsoon. But even in spite of these limitations, I wish Sir George Schuster all good luck, so that he might be able to bring forward a prosperity Budget before this House next year.

Mr. Birla, in his thoughtful speech, to which I have been taught to listen with respect, has said that he is opposed to the scheme of taxation, and he said that retrenchment was the only remedy. In that matter there is a difference of opinion between the Finance Member and the Honourable and distinguished Member representing Indian commerce and industry. In paragraph 85, the Finance Member says:

"For all these reasons, I have myself regretfully come to the conclusion, which I have already stated, namely, that, however energetically and ruthlessly the search for economies is carried out,—and I shall myself welcome any measures for the conduct of such a search,—there is not room for any *substantial* reduction in the civil expenditure of the Central Government."

This is the dictum of the Honourable the Finance Member, which has met with opposition from many Members, of whom Mr. Reddi was the last—and whose maiden speech has been a source of great pleasure to us. But, Sir, as one who has been watching the functions of the Government of India for many years, I can truthfully bear out the correctness of Sir George Schuster's statement. There is indeed little room for economy in civil expenditure which is roughly about 23 crores per year, but there is room for expansion. At the same time, I feel that expenditure has been sanctioned this year which ought not to have been sanctioned at all, and for this I hold the Standing Finance Committee particularly responsible. A reference has been made to certain expenditure by Mr. Birla and by Mr. Das, who attacked the grant for civil aviation and the grant for broadcasting. I know something of broadcasting, because I was a member of the consulting committee when this company was brought into being; and at that time all of us, who were experienced journalists, told the Government of India that it was not right for them to allow the launching of a company which was foredoomed to failure; but our advice was set at naught by the administration in the Department of Posts and Telegraphs. The company came into existence, and the shareholders have lost their money, and they have now come to Government for help and the Government, I am sorry to say, have undertaken a new responsibility which they will not be able to discharge as time goes on.

There are also other items of expenditure which I can cite, such as the creation of the post of Deputy Secretary in the Department of Education, Health and Lands for emigration. When the Inchcape Committee was in session, my Honourable friend, Sir Purshotamdas Thakurdas, will recall

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that suggestions were actually made in the newspaper Press for the abolition of this Department—I think the suggestion was made in the *Times of India*. With the growth of provincial autonomy, which must come in the process of the political reconstruction of India, the size of the Government of India must be restricted, and I am surprised that an additional appointment of Deputy Secretary should have been sanctioned by the Standing Finance Committee.

I come to another appointment. That appointment is the creation of a post of Administrator for the new city of Delhi; as if the new city has not got enough officers already, we are going to have a costly Administrator for a city which is practically untenanted for the greater part of the year! There is very little room for retrenchment, I agree, in the civil charges of the Government of India, but there is great room to restrain expenditure, that is the primary function of the Finance Committee as well as of the Finance Member.

Sir, while I maintain that there is very little room for economy in the civil expenditure, I say there is very great room for economy in the army expenditure. I have here a statement, extending over a period of forty years, showing the growth of army expenditure. In 1890-91, the net expenditure was Rs. 21 crores, and Sir, you know the net expenditure today is Rs. 55 crores and 10 lakhs. During the last forty years the increase has been more than Rs. 30 crores. That, Sir, is a crushing burden for a poor country like India to pay. This morning the Finance Member gave some very illuminating answers to the questions of my Honourable friend, Sir Hari Singh Gour. Of course my friend was wrong when he said that the military expenditure of a country should be 20 per cent. of its total revenue; that is not correct. . . . . .

Sir Hari Singh Gour: I never said that; I said that 20 per cent. was excessive.

Mr. K. C. Roy: Please read your question. It is not that: it is 20 per cent. of the total expenditure of a country—not its revenues. I am very gratified with the answers which Sir George Schuster has given; he has held out hopes of retrenchment in our army expenditure, and I hope that he will try and bring the Brussels Conference recommendations into active operation in India; if he does that, our army expenditure will be in the neighbourhood of Rs. 42½ crores, and if we can attain that figure—I am talking roughly from memory—there will be prosperity ahead. I will leave the question of expenditure at that.

I will now turn to one or two political and constitutional aspects of Sir George Schuster's statement. I think his reading of the political position is not quite correct. I think, with the utmost deference to him, that he has overdrawn the picture. He says:

"If the insidious lack of confidence continues to sap our foundations, we shall, as a Government, do our best to protect them and shall not hesitate to take strong financial measures for that purpose."

This, Sir, breathes a spirit of retaliation from a responsible authority. Sir George Schuster, throughout his Budget speech, has applied his world-wide experience of conditions to the framing of his Budget proposals; but in his political analysis, he has not applied world-wide conditions and the world-wide test. What is the position in the world today? There is

political evolution everywhere—in fact revolution. Look at old England; new parties are cropping up, which want to subvert the forces of the Conservative and Labour Parties. This is a new phenomenon, which we have not seen for years. What does Lord Rothermere want to do? He wants to throttle India and Indian aspirations. It is not right therefore to judge India's political evolution only by Indian standards. If you like, go to America and see what is happening there. Go to Italy; go even to Geneva, where political assassination was attempted in the very League of Nations. Political assassinations and political offences are not unknown in Europe, and it is not right to say that Indian credit has suffered because there have been conspiracies and political murders and political crimes. The Indian public has got sanity enough to know their interests, and they know their interests lie in the processes of constitutional development and constitutional methods, and not in anarchical doctrines or Soviet precepts. We all know that, and if we have lost credit in the foreign market, the Government of India cannot altogether escape their share of the responsibility; they have brought into this House such legislation as the Public Safety Bill and the Hunger Strike Bill, which they have not carried through this House. Failures of this kind, to carry through Bills of that character, have created a most melancholy impression in foreign countries; so, along with the representatives of the people, the Government of India must share the responsibility for lack of credit in India's finances and in India's good name.

There is another point to which I wish to allude in this connection. The Finance Member says:

"The future in this respect lies in the hands of the leaders of non-official opinion in India. The responsibility rests with them and not with the Government."

Sir, I have conclusively proved that the responsibility also rests with the Government. If the Government of India become a little more responsive to public opinion, and if they can throttle the opposition that is created in England by Lord Rothermere and others, they will be doing not only a service to India but a great service to the British Empire, of which we are proud to be citizens.

The next point on which I wish to criticise Sir George Schuster is as regards his proposal to take time by the forelock and to make provision for Ministers. This is indeed a novel idea; but I find it has caught on already in Ceylon; the Ceylon Government made a similar proposal and I shall read from a Ceylon paper the verdict of the Ceylonese. It will be very interesting to hear it. They say:

"If the Government wants money for its own purpose, let it say so. To utter the plea of Ministers at this stage when the reform is not even in sight is the surest way to make them irresponsible."

Now, I would invite the Honourable Sir George Schuster to consider this question seriously. We know nothing as to what the future reform is going to be; we do not know whether we are going to have a unitary form of government or a federal government. We do not know anything as to what the reform proposals are, but we are asked to a future commitment for Ministers in the provinces. I hope Sir George Schuster will take my suggestion into his consideration.

Finally, Sir, I can only repeat my congratulations to him for presenting his Budget in a fair and frank manner, and express the hope that, next year, he will be able to give us a Budget which will satisfy all concerned

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and restore his name and authority as one of the greatest financiers in the world of finance and commerce.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Mr. President, being one of the babes of this House, I trust you, Sir, and the Honourable House will not consider me audacious if I rise to speak during the general discussion on the Budget, which happens to have been presented so very soon after my election to this House. But, Sir, as I do not consider myself justified in taking the twenty minutes that you have allotted to us, I will confine myself to only one or two important features in the Budget, which naturally, coming as I do from Bombay, capture my attention.

Sir, I need hardly say that the first point which I will take up is the proposals of Government to protect the textile industry of India. We have long clamoured for this protection. Government have referred the matter to several committees since so long ago as 1926. They then appointed an officer of their own to report on this important matter, but they still continued to think, to cogitate, to meditate and to hesitate. At last they have produced something, and we are therefore thankful. Better late than never.

But while putting forward their proposals they have introduced a feature that has made all Honourable Members in this House and the country think furiously. (*An Honourable Member from the European Group*: "Not at all."). They talk of Imperial Preference. It is unfortunate for the industry, an industry that has been on the verge of extinction, due to the inaction of Government, that when they do bring forward proposals, they should bring them forward in conjunction with a principle which, it is well known, no Member of this House will ever accept. But situated as we are, let us try and discuss the question impartially.

We must first admit that every one of us is opposed to Imperial Preference. There is not a British Dominion that has accepted that principle. There is not a British Dominion today which will give any concession to any part of the Empire or to England if it is prejudicial to its interests. Further, I say that there is not a British Dominion which will give any concession to even Great Britain, if there is the slightest suspicion that that Dominion will be adversely affected in the future. And therefore, I maintain, Sir, that to ask India to do anything that is not absolutely in the interests of this country, is, to say the least, ridiculous and absurd, and that not one Member in this House will countenance an argument or plea that will go to harm the interests of our country.

But, Sir, we are told that the exemption that Government desire to give to England is in the interests of this country itself. There are three points that will have to be examined. Firstly, whether the imported goods from England compete with ours in this country; secondly, whether the exemption given to England is really a relief to the consumer; and thirdly, whether this exemption will by any chance, within the next three years, enable the imported goods from England to compete better with our own goods in this country. These three points require consideration and elucidation, and I leave it at that until Government place their case before us while introducing their Bills.

Sir, the next point I will take up is the statement, which I welcome, from the Honourable the Finance Member, on behalf of the Government

of India, that the Fiscal Autonomy Convention is a reality. But I cannot forget that, after all, the present constitution forces the Government of India to submit their Budget for sanction to higher authorities; nor can I forget that, within the last few years, the Finance Members for India have had to proceed six thousand miles to take their instructions. Sir, I honestly trust and hope that this Convention is a reality, and I am prepared to accept that statement made by the Finance Member. And I not only take it as a reality, but I take it as an assurance that that Convention will be given statutory effect at a very early date. For, after all, if this Convention is a reality, I can see no objection to giving it statutory sanction at the very next opportunity. If it is given statutory sanction, it becomes real fiscal autonomy, and that is what we claim. Without fiscal autonomy, Sir, no reforms, no advance of the constitution, will be of any use. We do not want our Finance Member to go six thousand miles for his instructions. We want him to come to this Assembly. We do not desire to have appeals made to us before we have discussed the Budget, or before the Budget is even introduced. No Budget should be sent anywhere outside this country for opinion or sanction. If protests are to be made, they may be made not only by England, not only by every part of the Empire, but by any country after the introduction of the Budget. That would then be a real convention.

Sir, there is just one point that I would like to deal with. Government have appealed to this House to give serious consideration to their proposals. They ask us "to give full thought to the grave importance of the wider considerations". They remind us that the representatives of this country are soon to meet the representatives of England to consider the future constitution of this country. Sir, I fully realise the importance of this appeal. But may I remind Honourable Members of Government that there is a section of the British public in England which has voiced very different opinions? Up to a short time ago all sections of the British public took credit for being trustees for the teeming millions of the population of this country; that they were here in our interests; they were here to guard the interests of the millions who cannot speak for themselves. Since the famous announcement of His Excellency the Viceroy, a certain section of the British Press, and not an insignificant section, a section which carries considerable weight and influence, a section which has a tremendous following, has changed the trend of their criticisms. They openly declare that India is necessary to England and that further reforms are dangerous to the interests of England, because India is England's best market. When this appeal is made to us to look fairly at this question, I will remind Honourable Members of Government and Honourable Members here that there is this powerful section in England which is against giving any reforms to this country, lest this country should deprive England of her trade down here.

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Sir, this is an outrageous and monstrous policy to enunciate—that one country should not be allowed to advance because its trade should be reserved for the other country. Our industries and commerce should remain where they are because the interests of another country are affected. All this has taken place within the last four months. The appeal, therefore, I venture to suggest, is inopportune. The appeal ought to be directed to that powerful and influential Press in England who deny us the right to advance commercially and industrially. When we do have real fiscal autonomy, I have not the slightest doubt that, however this House may be constituted, it will look fairly on any proposals that may show some

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favour not only to England but even to any of its Dominions. But this appeal to us, is inopportune while allowing an important section of the British Press to tell the British public that we should get no advance because their trade and industries will suffer.

Sir, I think the sympathy of the whole House will go out to the Honourable the Finance Member, who, so very soon after his arrival in this country, has had the misfortune to present a Budget with a deficit of 5·52 crores. Although I am afraid he is not going to get the support of at least this side of the House, and also of some of the other Benches to all his measures of taxation, I can only extend to him my sympathy. I do not now propose to go into the other details of the Budget. We shall get an opportunity of asking the Honourable the Finance Member to give us details when the two Taxation Bills are before us, and we shall keep an open mind till those Bills are presented to us.

Dr. B. S. Moonje (Nagpur Division: Non-Muhammadan): Sir, abler people have dealt with the Budget from the financial point of view. I shall confine myself only to the military part of the Budget. I sincerely sympathise with the Honourable Sir George Schuster in the most unenviable position in which he finds himself today, because I know most of his difficulties are inherited by him as a legacy of the past wrong policy and the vicious circle of the system of Government under which he has to work. To that extent, he has our most sincere and honest sympathy, but even making allowances for that, I think it was in his power to do something substantial to contribute his quota to the nation-building part of the Military Budget. He has tried to create an impression that he has begun an era of reduction of military expenditure. If analysed critically, I can only describe it as mere eye-wash or camouflage. He says that Government were committed to pay Rs. 55 crores for the Military Budget for five years, out of which three years have already past and there are still two years more during which Rs. 55 crores will have to be paid annually under this contract with the Military authorities. But he says that he is going to reduce the military expenditure from today by Rs. 80 lakhs for the next three years, at the end of which the contemplated drop in the Military Budget will be ushered in. Let us see if it is really a reduction from today as is claimed by my Honourable friend, Sir George Schuster. Let us see what it comes to. Supposing he had not been so obliging as to reduce the Military Budget before the contract time comes to an end after two years, *i.e.*, in 1932, we would have spent, at the end of the third year, 55 *plus* 55 *plus* 50 crores, which is the drop which was recommended by the Inchcape Committee, namely, Rs. 160 crores. Under the proposed arrangement, which is to continue for three years, we would pay Rs. 162·60 crores in three years. He is thus actually giving to the military Rs. 2·60 crores more than the Military Budget has a claim for. Supposing the Government were to say, I am too optimistic to suppose, that the Military Budget could be reduced at once to 50 crores at the end of two years from now, and also supposing the Military Budget stood at 52 and not 50 crores, at the end of two years, what would be the effect? It would come to 55, *plus* 55, *plus* 52, that is 162 crores. That is, we shall still be paying Rs. 60 lakhs more. Supposing however, the Government were to say that the Military Budget cannot be reduced to 52 crores, but must stand at 53 crores, then we shall be paying 55 *plus* 55, *plus* 53 crores, which comes to 163 crores. Thus at the rate proposed by the Finance Member, under which we shall have to pay 54·20, *plus* 54·20, *plus* 54·20, that is 162·60 crores, it would mean a reduction of merely 40 lakhs. Can my Honourable friend, Sir George Schuster, justify it as practically any reduction at all? I am reminded of a proverb in my mother tongue, Marathi, which, if translated into English, means "Little bits of meat and bread extracted from the crevices of the teeth do not satisfy a man's hunger". It is therefore that I call this show of a reduction eye-wash or camouflage. I would certainly have congratulated the Finance Member if he had been able to induce the military authorities to reduce the Military Budget to 50 crores. Of course we are not going to be satisfied even with that. We shall not cease our agitation until the Military Budget has been reduced to very much less than Rs. 50 crores.

Now, looking at it from the nation-building point of view, the Military Budget is generally regarded as money spent for maintaining a destructive machine. But there are two parts of the Military Budget. One part is set apart for maintaining a destructive machine, which is however an inevitable evil, and another part for the nation-building machine. Let us see what our Honourable friend, the Finance Member, has done in regard to this second part *i.e.*, the nation-building machine. We want to win Dominion Status; we are out to have Swaraj ourselves. The only argument against our claim that the Bureaucracy has been advancing is—where are the people in India who can undertake the responsibility for the defence of the country? That is the standing argument against our claim. In this Budget I find that an attempt is being made to perpetuate that argument. If the present state of things were to continue, even at the end of 100 years from today, we may not be in a position to assure them that the country is in a position to assume the responsibility of its defence from foreign aggression. Such is the Bureaucratic way of perpetuating their standing argument against our national claim.

In this Budget, I find that the Finance Minister, Sir George Schuster, has been generous enough to grant five lakhs of rupees for the further expansion of the Territorial Forces, and, it is the Territorial Forces that form the nation-building part of the military machine. This is not merely my own opinion, but it is the opinion given authoritatively by the various committees appointed by the Government of India, themselves. The Territorial Forces Committee say:

"The object of the Territorial Force is an educational one, to create a national desire for patriotic military service and to afford opportunities for military training, to a wide range of the manhood of India and so lay surely and solidly the foundation of a national army such as will be essential to India when in course of time she attains to full responsible government and takes upon her own shoulders the whole burden of her defence."

The same Report continues to say:

"We think it of even greater importance to develop it as a school wherein the young men of the country may be trained to arms and may fit themselves to take their places in the national army of the future ready to defend their country in time of need. The promise to India of self-government implies in our opinion, the grant to her people of an opportunity of training themselves for her Defence."

This is what I call the nation-building part of our military machine, and it is exactly here that the Department has been starved. They have allotted only five lakhs of rupees for this part of the machine, whereas on

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enjoyments and luxuries and on those things which do not fall under the category of necessaries of life for India, we find them wasting lakhs and lakhs. This fact has been brought out most prominently by several speakers on the floor of the House, and therefore I shall not weary the House by repeating it. Perhaps it may be argued that the Government do not know how better to develop a national army in India. Supposing that argument were correct, I might take the liberty of enlightening the Government on this occasion as to what is happening in other countries. Here I do not mean other countries which have no connection with the British, but their own Colonies where their own kith and kin reside. I find that, in those Colonies, they almost entirely rely upon the Territorial Force for their defence. They regard it as a nation-building part of their army, and they therefore spend money upon the training of the Territorial Force with a lavish—not only a generous—hand, so that practically the whole nation may be so trained and strengthened that none of its neighbours may be tempted to cast an evil eye of aggression on it.

Now, let us see what is happening in a small colony like New Zealand. What does it do in the matter of the development of its Territorial Force? In 1928, there were 805 officers and 20,140 other ranks in the Territorial Force. Imagine a country which is 100 times or perhaps even 200 times smaller than India having as many officers as 805 and as many rank and file as 20,140. Supposing India were to be allowed to do the same thing that is to spend its revenue with a generous hand on the development of her own Territorials, just as the English Colonies are doing, then there would be no need for an army, which may be called an army of British occupation, which costs us about five times more than our own Standing Army. Or, to put it in another way,—here I am not speaking of the British Army in India—don't you think it is more profitable, more advisable, more safe to rely upon a national army in an emergency than an army which has been described as a mercenary army as the present Indian Army is? Even from the selfish point of view, the Bureaucracy ought to say that it is in their own interests to develop the Territorial Force with a lavish hand or with a generous hand; because with the grant of Swaraj to India and the full development of the Territorials, there will be an unlimited source of supply of man power whenever the Empire may find itself again faced with a real emergency as in the last Anglo-German War.

Now, I will tell the House how many boys in New Zealand are under Military training. Senior cadets are organised in battalions and receive physical and elementary military training. Their strength on the 31st March, 1928, was 525 officers and 33,939 ranks. That is to say, almost one-third of the whole school-going-boy-population of the Colony is being given elementary military training. Does it not thus come to compulsory military training, and in a Colony where there is no fear of foreign aggression? There is the British Navy, which is so powerful that New Zealand, Canada and Australia can never entertain any fear of any kind of attack from any other country, and yet they have been spending such large sums, having regard to their revenue and the size of the country, upon the early military training of their youth. All male inhabitants of New Zealand, who have resided therein for six months and are British subjects are liable to be trained for military service as follows:—

(*a*) The senior cadets—from 14 years of age or the date of leaving school, to 18 years of age. and (*b*), the Territorial Force—from 18 years of age to 25 years of age; that is to say, practically the whole population between the ages of 14 and 25, are under compulsory military training so that they may be fitted to be a part of a national army in time of need. But what does our Government do for such military training of our boys? They have provided this year a princely sum of Rs. 5 lakhs for the purpose. I remember my friend Colonel Crawford last time twitted me by saying: "Why don't you spend your own money? If the Government does not spend the money, why don't you spend your own money and why don't you start your own military schools?" I might, in reply, remind him that the money which the British Government have in India is not the money that has been brought from England. It is the money which has been raised in India from our own pockets. Instead of controlling or operating upon it ourselves, it is the British people who are doing it, but the money as such comes from the soil, and it comes from our pockets and from our labour. Therefore, whatever Colonel Crawford may say, I have a right to ask that my Indian revenue should be spent on the strengthening and for the betterment of my country.

Colonel J. D. Crawford (Bengal: European): Will the Honourable Member give me some idea as to what the military threat in New Zealand is?

Dr. B. S. Moonje: I am glad that my Honourable friend has put me that question. There is no military threat, there is no fear and yet they are spending on training their youths with a lavish hand. What would they not have done if there had been a threat? I am glad my Honourable friend's interruption has strengthened my arguments. New Zealand has nil in the matter of military threat. (*An Honourable Member*: "Why has it not?") It is for you to make out a case if you contest my statement. I repeat there is no threat. The British Army and the British Navy are so powerful, that there is not one single country in the world which can look upon New Zealand with an evil eye. If you contest that statement of mine, it is for you to prove it on the floor of the House. And yet what does not New Zealand do in the matter of training her own youths? The New Zealand Government are not sitting idle and complacent. There is no Colonel Crawford in the Legislative Assembly of New Zealand to say to the people there, "Why don't you spend your money; you have got enough money, why should you call upon the Government to spend the money on the military training of your youths?".

Mr. N. C. Kelkar (Bombay Central Division: Non-Muhammadan Rural): There must be a Dr. Moonje there.

Dr. B. S. Moonje: Well, the time is coming when India is to be considered a partner in the British Commonwealth of Nations and then New Zealand will be under our clutches as we are at present under the clutches of New Zealand, Australia and Canada and the other British Dominions including Britain itself. The New Zealand Government has established a permanent staff with a strength of 135 officers, and these have been entrusted with the duty of training the youths in the schools. A standing military staff of 135 officers has been deputed to this work, and their entire duty is that they should train all the youths in military drill, discipline, physical training and elementary military training. Now what about the Territorial

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Force in India? How many officers are there to train the Territorials in India? How many military officers have been deputed to train the youths of India? I do not think I need worry you with figures. You know a grant of merely Rs. 5 lakhs is considered enough for the purpose. That ought to be enough information for us. But you know, compared with the smallness of the size of New Zealand, and the bigness of India, need I say it is a drop in the ocean? Besides, and over and above that, what else is New Zealand doing? New Zealand has established 156 rifle clubs with 4,360 members, and these clubs are affiliated to, but do not form part of, the defence force. The Government used to issue free of charge, 200 rounds to each member per year. Well, Sir, here is my reply to the question of my Honourable friend Colonel Crawford, "Why don't you spend your own money from your own pocket?" Why is it that the Government of New Zealand issue 200 rounds to each member of the rifle clubs, free of charge? Also to those members of the rifle clubs who want to purchase extra ammunition, it is sold at a reduced rate. It is these things, and it is these analogies before us, that embitter our heart when we see that, on the vital point where our British Government ought to help us, it is not doing, not only not doing, but on the other hand creating a situation which is nothing better than an eye-wash or camouflage, or false impression or whatever you call it.

Mr. M. R. Jayakar (Bombay City: Non-Muhammadan Urban): May I ask the Honourable Member, on a point of information, whether he means to say that New Zealand gives all this training and makes all this military preparation, although it has no military threat, as stated by Colonel Crawford?

Dr. B. S. Moonje: Yes. My Honourable friend has asked me a question I think I have already replied to it. It is not for me, and it is not for us to prove that New Zealand has got a military threat or a threat of aggression from outside. It is not for me to do so. My point is that there is no threat, and yet New Zealand, in anticipation of an emergency coming up in the future, is doing all it can to prepare and train its youths. They keep their powder dry, and no General is worth his name who, in the belief that there is no enemy, does not take care to keep his powder ever dry. But I would impress upon my Honourable friend this point, that, whether there is a threat or not New Zealand is right and wise in seeing that its youths are trained. So far as India is concerned, shall I bring forward proofs to prove that there is a perpetual threat on the North-West Frontier Province to India? It is this threat that is being made the excuse for defrauding us of our rightful claim to nationhood, defrauding us of our rightful claim to Dominion Status and Swaraj. In a moment of weakness—that weakness comes upon all nations at some time or other—in a moment of weakness we were defeated, and we were made helpless, and our national Government passed into the hands of the English people who were then foreigners. We are now creating a commonwealth, and if they so desire, we shall be members of the same household of the same Commonwealth, and if they do not desire that, they shall still deserve to be designated as foreigners . . .

Nawab Sir Sahibzada Abdul Qaiyum (North-West Frontier Province: Nominated Non-Official): Who brought them here?

Mr. President: The Honourable Member has exceeded his time limit. The House stands adjourned till Twenty Minutes to Three.

The Assembly then adjourned for Lunch till Twenty Minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Twenty Minutes to Three of the Clock, Mr. President in the Chair.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, Education no doubt, like Agriculture, is a transferred subject, but the Government of India cannot wash their hands of all responsibility. A few years ago Sir Andrew Skeen and Major Dauffle visited schools and colleges in India, and they discovered not more than a dozen students whom they declared to be fit for a military career. The Education Department, maintained at an expense of 25 crores of rupees, and having 11 million pupils, cannot produce more than eleven or twelve students fit for a military career,—one in one million. Is that not in itself a condemnation of the Department? There must be something wrong somewhere, but if I examine it closely, I say everything is wrong everywhere. Our curriculum is defective, our mode of instruction is wrong, the text-books are improperly selected, and our system of examination is ruinous. Here in India students are taught not what they like to study, but they are taught subjects in which they have no interest. As regards the mode of instruction, I should first blame the teachers' training colleges. A few years ago the Retrenchment Committee in Bengal recommended that all the training colleges should be abolished. Mr. Zachariah, on behalf of the Government of Bengal, in his quinquennial report said that a degree in a training college had commercial value and had no direct bearing on the daily routine of the teacher's task. As regards the text-books, the Agricultural Commission has condemned the constitution and working of the Text-Book Committee. The Hartog Committee has not a good word to say for these Text-Book Committees. As regards the examinations, I think the British Government, by implanting the British system of examinations in this country had done a great disservice to India. After three quarters of a century, the British people have realised the mischievous effect of their system of examination, but unfortunately it is still being perpetuated in this country. We had in India for centuries a system of examination, which Germany has adopted today.

Mr. President: What about the Budget?

Dr. Ziauddin Ahmad: I am talking about the policy of education, specially of primary education, and advocating a grant from the Central Government towards education. The Hartog Committee is not very sanguine and very sympathetic towards compulsory primary education. They do not oppose it, but reading between the lines, they make us feel that it is impossible to achieve it in the near future. The estimate of cost of it which they have given is 6½ crores of rupees, but looking into the figures . . . . .

Mr. President: Is that for the centrally administered areas?

Dr. Ziauddin Ahmad: No. They recommended the total expenditure for the whole of British India at 6½ crores; they recommended that the

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Central Government ought to contribute something for primary education, and they want that the Central Government ought to take up some responsibility for primary education. Now let us examine this figure of 6½ crores. According to the figures given by the Hartog Committee, the total number of boys of the school-going age in the whole of British India is 17 millions. According to their own statement, only 80 per cent. could ever be brought to school. Therefore, we have really to cater only for 14½ millions. We have at present 7½ millions in schools and colleges, and according to their own estimation three millions more could be brought into the existing schools without any extra expenditure. Therefore, in order to introduce compulsory education throughout India now, we have to make provision for four million more pupils altogether. Now, considering the cost of education, their calculation is Rs. 8 per head, and the way in which they got this figure was that they divided the total expenditure by the number of pupils in schools. As I have just said, three million boys more can be absorbed in the existing schools. Therefore, if we add this number, and divide the total expenditure by this increased number, the cost per head will be Rs. 5-8, and not Rs. 8. By calculating it as Rs. 5-8, the additional expenditure would be only about 2½ crores of rupees. This is the amount which is necessary to introduce compulsory free education throughout British India; and I appeal to the Assembly that out of this amount, one crore of rupees ought to be contributed by the Central Government for primary education, and the 13 provincial Governments may be requested to raise the remaining 1½ crores in order to introduce compulsory education. This contribution from the Central Government may not be according to population. It may be according to the need of each province, if proper administration be guaranteed, and the money be not absorbed in the general education Budget, but a special Board of Primary Education be created to advise Government about the way in which the money ought to be spent; and if the curriculum of studies be suitably made, I am perfectly certain that Provincial Governments will agree to fresh taxation to the extent of 1½ crores; and we can introduce compulsory primary education within a space of three years without postponing it for an indefinite period, as recommended by the Hartog Committee.

About secondary education, the policy of Government was laid down by the Commission of 1882. It was established by the Resolution of 1904 of the Government of India, and again established in 1913. Their policy is this, that we should maintain only one secondary school at the headquarters of each district, and control secondary education by means of inspection, recognition, and the grant system. This policy has been proved to be very mischievous, and there have been regular criticisms of this, and it is not in keeping with the traditions of other countries. In other countries, the State is responsible for the entire system of secondary education. We all know that secondary education is the fulcrum of entire education. It influences primary education on one side, and higher education on the other, and therefore the educational problem can only be judged, not by primary or university education, but by secondary education. And here the State has altogether failed in its responsibility. Sir William Meyer, when he was Finance Member, asked the Education Department to introduce a definite policy for secondary education, but the Government unfortunately have failed to introduce any policy at all.

There is one point to which I wish to draw special attention, particularly of the Leader of the Opposition, as he will be interested in it. It is a common experience, not only in India, not only in the United Kingdom, but throughout the world, that privately managed institutions are nearly all denominational institutions. Therefore, if you leave the secondary education in the hands of the people, and the Government wash their hands of the responsibility, except to maintain one secondary school as a model, then the denominational schools will come into existence. Every religious organisation will try to maintain its own network of schools, and create a special Department to collect subscriptions, and we will have a kind of Government within Government, *imperium in imperio*, and that will be exceedingly dangerous to the State and to the country. Now we have been discussing a great deal about separate electorates, and I think that the separate electorate is the result of the educational policy that the Government have laid down in this country. (Hear, hear.) First we abolish these denominational schools and the State assumes responsibility for all forms of education, then the people will demand a mixed electorate, as the result of teaching in mixed schools and colleges. (Hear, hear.) Sir, after the war, a great revolution has taken place in every country in education. Germany has introduced compulsory technical education throughout the country. The boys, after receiving compulsory education till the age of 14, are given compulsory technical education till the age of 17 or 18, that is, for a period of from three to four years. England and France, on the other hand, have introduced technical education in their ordinary schools. The central schools have been brought into existence in England, and polytechnics have been very much utilised. My Honourable friend, Pandit Madan Mohan Malaviya, in his supplementary note attached to the Report of the Industrial Commission about 15 years ago, described the necessity of framing a curriculum which would be a mixture of general and technical education. He appealed to the Directors of Industries and of Education to cooperate together and evolve a new type of curriculum which would be a combination of the two. Now, the scheme which he desired to be framed in 1918, has now been actually worked out, both by France and England. They have evolved a curriculum for their schools and colleges, in which they have the combination of general and technical education. They say that technical education has got as much educative value as general education, and the general education is as much utilitarian as the technical education. Here we are still silent, and are doing absolutely nothing in technical education.

Mr. President: Does the Honourable Member want education to be a Central subject?

Dr. Ziauddin Ahmad: I just want to plead that technical education ought to be financed by the Central Government, because the Central Government draw its revenue from customs and taxes and these are the sources of revenue which help technical education in every country.

Mr. President: Technical Education must be a Central subject?

Dr. Ziauddin Ahmad: Yes; it should be a Central subject. That is what I want. The other thing to which I want to draw attention, is

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that the Central Government ought to contribute some money to the Provincial Governments for the maintenance of higher education and give them grants in the same manner as the British Government do to the counties and boroughs.

The next point to which I should like to refer is the Advisory Committees which are maintained by the Central Government. I have come across a number of students, both in India and in England, and I have not seen a single one who said that he received some assistance from these Advisory Committees, though a number of them told me that they got on in spite of the opposition and obstruction from them. Therefore, I beg to recommend very strongly that these Advisory Committees in India ought to be abolished and the Advisory Committee in England may also be dispensed with, as they are not fulfilling any useful purpose, and their place may be taken in India by a Bureau of Education, which has also been recommended by the Hartog Committee, and in England by some organisation such as the Congress of the Universities of the British Empire. I had the opportunity to discuss the matter with them, and they would be very pleased to do practically the same work as the Advisory Committee placed in the office of the High Commissioner, is now doing. There is another difficulty. The students are very suspicious of any intervention on behalf of the High Commissioner, and this suspicion will be entirely removed if this work is done by the Congress of the Universities of the Empire. (*An Honourable Member*: "Question.")

The last thing to which I would like to draw attention is the Public Service Commission. I think it is a white elephant of the Home Department, and I would request the Home Member, had he been here, to kill the animal before he leaves and not to leave it to his successor to bag the game. In the first place, these are the people who make a selection for all kinds of departments. They sit as medical experts and choose a medical man. They sit as engineers and select an engineer. They sit down as accountants to select a person for the Accounts Department. In fact, they pose as being well-informed in each and every Department of the Government of India. I always thought that, in order to select the best doctor, one must be a doctor himself, and in selecting an engineer, one should himself be an engineer. It is impossible for any layman to give an opinion on the selection of a professional person. Their selection, even if they take nominal expert advice, is not of much value I maintain that any person who considers himself to be an expert in everything practically knows nothing.

The second point is with regard to the competitive examination which they hold. It is a matter on which I have tabled a motion, and I will discuss it when the time comes. But I do maintain that these competitive examinations—I do not bring in any kind of communal representation. I do not bring in the Indianisation of service—I stand only on scientific grounds and I say that these competitive examinations do not select the best candidates. It has been proved very definitely that you cannot select the first and the second by simply adding up the numerical marks allotted to each particular question.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, the Budget before us is, I hope, the last of the

Budgets presented under the existing system, and as I read it, it sounds the death-knell of that system. No critic of the present administration need think of producing stronger arguments against the present system than the budget proposals before us supply. What do they tell us? They remind us that the system is one under which the Government are not responsible to the elected representatives of the people and that they carry on the administration according to their own will, guided only by instructions from England; that under that system expenditure both civil and military has been growing; that it has been growing enormously, and growing inspite of the repeated protests of the representatives of the people. I do not wish to go into figures; but the whole history of India during the last 60 years is a tale of repeated protests against the growth of expenditure. When the Congress met first in 1885, it put forward that protest. Today, the representatives of the people in this Assembly have reiterated that protest in all the criticisms that you have heard on the Budget. Civil expenditure has grown frightfully—as some previous speakers have pointed out, by so many crores in a few years. In spite of the poverty of the people, in spite of the growing poverty of the people, civil expenditure has been growing. Military expenditure has grown enormously and has not been reduced even to the extent that was recommended by the Committee which the Government themselves appointed. The result of it is that, even today, Rs. 54 crores and 20 lakhs of expenditure is budgeted for for the maintenance of the Army. The Government have, during the course of the last sixty years, again and again been met by a situation in which money had to be found to make up deficits in the Budget. On most of these occasions, new taxation has been resorted to in order to make up the deficits. There is only one important instance of the appointment of a retrenchment committee, to which Dr. Gour has referred. The recommendations of that Committee brought about a reduction in expenditure worth considering, but the most important recommendation of that Committee, made seven years ago, in regard to military expenditure, *viz.*, that it should be brought down after a few years to a sum not exceeding Rs. 50 crores, has not yet been carried out, and there is no sign that it will be carried out in the near future.

3 P.M.

Now, Sir, the condition of the country is truly deplorable. Under this system, highly paid appointments, to the extent to which they exist in this country in the civil and military departments, inflict a burden upon the people which they cannot bear, and it is to maintain this system of high salaried officials from top to bottom, so far as Europeans are concerned, that fresh taxation has been resorted to from time to time. We protest. What is the result of that protest? The protests go unheeded. It is the saddest part of the duty of a Member of this Assembly that he should have to make constant protests against the action of the Government, which go unheeded. What is the present situation? In peaceful times, when there is no war threatening us, when we have been far removed from the effects of the last great war, the Government have come forward to propose fresh taxation of over Rs. 5 crores. In no other country, so far as I know, has war taxation been kept up so long. In this country, the high taxation imposed in consequence of the war is still maintained, and the Government have now put forward proposals to add further to that taxation. This is more than human flesh can bear. You cannot think of a more wicked system of Government than this, under which the representatives of the people who have been elected by the people under rules laid down by Government to voice the sentiments of the people, have not the power to compel the Government to spend as they think fit, the great bulk of the

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money which they are required to raise by their votes in this Assembly. I say deliberately, it is a wicked system of Government, and the sooner we can see the end of it, the better it will be for humanity in India and even in the outside world.

Statesmen in Europe long ago laid down that not more than 20 per cent. of the revenues of a country should be spent on military expenditure. The elected Members of this Assembly, of the first Assembly, brought forward proposals for its reduction. Such proposals have been brought forward again and again. They have taken two shapes, one for the direct reduction of military expenditure, *en bloc*. the other for the creation of a system of military education for Indians under which Indians will be trained to take the places of European military officers whereby the army expenditure of the country will be greatly reduced. The first has been little attended to. The second has been turned down. The Government appointed a Committee of their own, presided over by a very capable General, on which many of our representatives sat. But the unanimous recommendations of that Committee have been turned down. Now you are face to face with this situation, that the Government maintain military expenditure where it is, or very nearly where it is,—the reduction of 80 lakhs in the Army Budget of 55 crores to my mind is very insufficient—the Government maintain this expenditure nearly where it is. The Government have refused to listen to our reasonable demands, demands which were endorsed even by the officers of Government of their own choosing. The Government have turned a deaf ear to all our representations even to introduce a system under which Indians would be trained to take the places of European officers in the Army, and the Government come to us and ask us to vote further taxation, in order that such a system should be kept up. Can they in reason expect our support? And what are the proposals that they have come up to us with, and what is the time at which they have come to us with those proposals? There is widespread depression of trade, unemployment and suffering. There is great dissatisfaction in the country, and the Government know it with the existing system of Government. I may say that, almost without exception, every Indian who has any sense of self-respect, desires that this system should end and that Dominion Status should be established in India at the next amendment of the statute. Every Indian, without exception, is protesting against maintaining the present scale of taxation and expenditure. And what is the response of the Government to this protest? At this juncture they have come forward with proposals for fresh taxation. Many reasons have been assigned for bringing forward these proposals, but the main reason, I am sorry to think, has not been put forward as it should have been put forward in the Budget. The main reason has been the policy which the Government adopted three years ago in the matter of the 1*s*. 6*d*. ratio. All the troubles which are now upon us. nearly all the troubles were prophesied. Speakers in this Assembly and writers in the public Press, and on the platform, pointed out that the very troubles which are now facing the country would arise, but the Government did not pay any heed. Of course the present Finance Member was not responsible for it, but the Government of India were. My quarrel is not with any particular member of the Government; my quarrel is with the system of government. The Government of India are responsible for establishing this 1*s*. 6*d*. ratio, and most of the troubles, which we are faced with today may be traced to this 1*s*. 6*d*. rupee ratio. And now what is the remedy? Adopting the right

measures, I grant it is difficult to adopt the right measures, it requires a great deal of courage, a great deal of statesmanship, a determination to do the right, in spite of all odds against you, a unanimity among the Members of the Government of India in the recognition of what is right and due to India. But the right policy is to undo the evil as soon as you can undo it, and to the extent you can undo it. In every undoing of evil there are some evils which have inevitably to be borne; it is a question of weighing the advantages and the disadvantages, and if the disadvantages are smaller than the advantages, the course of greater advantages should be adopted. We have now had an experience of the evils which were forecasted in connection with the 1*s*. 6*d*. ratio. I wish the Government had given us a statement, a full statement, of the losses which the Government of India have had to suffer in maintaining exchange at 1*s*. 6*d*. Where have the reserves gone? Why have they gone? How much of them has gone in the vain attempt, the unwise and futile attempt, to maintain the rupee at 1*s*. 6*d*.? The rupee will go down, it will not be maintained at 1*s*. 6*d*., but the Government refuse to recognise the fact. Will the Government stay their hands even now, and not take any further artificial measures to support the 1*s*. 6*d*. rupee? If they would simply abstain from taking artificial measures to support the rupee at 1*s*. 6*d*., I venture to say that much of the trouble which we are confronted with, at least a considerable portion of the trouble which we are confronted with, will probably disappear. Are they prepared to do so? If not, why not? And what have the Government been doing by their own action? They have been contributing to the impoverishment of the country. The people of India have got a great deal of silver in their possession. That is their only possession, the possession of the mass of the people scattered all over the country in very small driblets, like the drops of rain, but which in the total, amount to a good deal. By the action of the Government of India in selling silver, they have contributed to reduce the price of silver. By that act of the Government, the price of the silver which the people possess has been very considerably reduced. Why should the Government of India have resorted to that measure? I ask the Honourable the Finance Member to give one good reason why it should have been necessary for him to sell all the silver,—unless it were to invest it in gold. which I could understand—was it not to bolster up this wrong ratio? And what is to be the sequence now? It is now proposed to put on a duty on silver; that is to say, knowing that silver is going to be cheaper in the world, you are putting on a duty on it whereby its price will be bolstered up for a time in India during which time the people will have to purchase silver at a higher rate than they would have to pay if silver had been allowed to come in at the world market price. They will have to purchase it at that enhanced price, and when this silver duty is removed, or when by other causes silver goes down further in price, they will have to sell it at that lower price. Who will lose, except the people? I can quite understand such a measure being adopted after consideration in the Assembly, after consultation with the representatives of the people, with the definite object of supporting silver under a definite policy of establishing a gold standard and adopting at the same time, other measures by which silver shall be prevented from going down in price, as it is going down now. I can quite understand such a course being adopted as part of a large policy, and the money raised from it being ear-marked—absolutely, every pice of it—for some service of the people, for some benefit to the people. I cannot support the proposal to raise money by means of such a duty, to make up a deficit in the Budget. This is adding to the wrong which has already been inflicted on the people.

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Let me turn to another item of taxation that is proposed. The income-tax has to be increased, and why pray? What is the contingency which has arisen? Is there a war threatening India? What other circumstances are there in existence today to justify this increase of the income-tax at this juncture, at a time of peace, so many years after the war, when there is no threat of war or of trouble with Afghanistan or with Russia? Some friends of mine have said to me, "Let this tax be imposed; it is only the richer people who will suffer". I do not agree with that view. Is it right that the rich people should suffer a wrong? Rich or poor, our people should not be exposed to unnecessary and unjust taxation. There are some others who think that, because there are some high officials of Government who also will have to pay this increased tax, therefore it should not be opposed. But, Sir, I am opposing the taxation because I do not find any justification for it. I am opposing it because so much money will be taken away from my people without any justification. Why is it to be done? Only in order that the deficit of the Government of India may be met. But the deficit ought to, and could have been avoided by prudent financing.

What is the third proposal? It is to increase the cotton import duty from 11 to 15 per cent. for revenue purposes and to add to it a 5 per cent. protective duty limited to non-British goods, *i.e.*, with a preference to United Kingdom piece-goods. Now, I desire to give every reasonable support to the Indian cotton industry. But I ask every Member of the House to consider what the Government proposal for protection means. Have you heard of any country, of any system of government anywhere in modern times, where the Government of the country could bring forward before the Legislative Assembly a proposal of this nature, a proposal that you should make a present of a 5 per cent. duty to the manufacturers of Great Britain because you are anxious to protect your own manufacturers against the competition of another foreign country? And how is this proposal brought in? It is brought in along with the proposal for raising the income-tax. On the one side, you are asked to increase the income-tax on your people, and on the other side you are asked to exempt the United Kingdom cotton piece-goods from the 5 per cent. duty. Let us clearly understand what this exemption from the 5 per cent. duty means. It really means preference. In the Indian Fiscal Commission's Report they say:

"Preference means that goods from one or more favoured countries pay duty at a rate lower than the general rate. Whether the preferential rate is a real reduction in duty, or whether the general rate has been arrived at by making an addition to what is considered the minimum duty, which thus becomes the preferential rate, is, in considering the economic effect, immaterial."

Therefore, Sir, preference means that goods from one or more favoured countries pay duty at a rate lower than the general rate. And what is the effect of it? The effect of it is described by the Fiscal Commission by quoting the Report of the United States Tariff Commission in 1918. They say:

"Where a reduction of duty affects only a fraction of the imports of a particular article, and the major portion of the imports of that article is still left subject to the main or non-concessional duty, the result is not only a loss of revenue to the Treasury, because of the lower rates of duty, but absence of any gain to consumers. The reduction of duty redounds only to the advantage of the foreign producer."

Speaking of the effect of a preferential duty in another place they say:

"The consumer will thus pay the higher duty on the whole supply, and the difference between the two rates of duty will be equivalent to a bounty to the manufacturer in the country receiving the preference."

So that, Sir, the proposed exemption from the 5 per cent. duty means the giving of a bounty to the manufacturer in the United Kingdom. They further say:

"The effect of this bonus is to stimulate the trade of the manufacturers of the country receiving the preference, and in a short time they may secure for themselves the whole market, driving out altogether the non-preferred manufacturers."

That, Sir, is the true position in regard to this duty, and I am surprised that the Government of India should have thought of putting forward such a proposal before this Assembly. Nothing could be clearer than the opinion expressed by the Fiscal Commission on this point. They recommended that, before a policy of Imperial Preference was decided upon, it should be preceded by an inquiry by the Tariff Board who should examine and report whether there were any commodities on which preference might be given to the benefit of the Empire and without detriment to Indian interests. But even that has not been done in this matter. The question whether exemption could be given to United Kingdom goods without detriment to Indian interests has not been inquired into by the Tariff Board. What I have quoted above was the view of the majority of the Fiscal Commission. In addition to this, the members who were in a minority, after pointing out that the effect of such a bonus was to stimulate the trade of the manufacturers of the country receiving the preference, went on to point out that this was not a thing that should be done in the present condition of the country: and they made a suggestion that it should not be carried out so long as India was not a self-governing country.

They said:

"We are in favour of Imperial Preference"—

I do not endorse that view, I am merely quoting it—

"on the distinct condition that India should in this matter be put on the same footing of freedom as is enjoyed by the self-governing Dominions, and that non-official Members of the Legislative Assembly should be given power, by legislation or other equally effective means, to initiate, grant, vary and withdraw preference as may be necessary in the interests of India in all its aspects."

This recommendation was made in 1922. The Government of India have not adopted this course; the Government in England have not adopted this course; and we are asked today to accept this proposal of preference to British piece-goods as one which will benefit India.

I am grieved, Sir, that in this connection we have received a message from His Majesty's Government. I have great respect for His Majesty's Government, but I cannot understand how, with a sense of justice, they could put forward a proposal or approve a proposal like the one that we have before us. For what does it come to? We are asked to raise the duty to 20 per cent. on all cotton imports.

We are asked to have a general duty of 20 per cent. with the exception of goods from the United Kingdom, which means in the words of the Fiscal Commission, the presentation of a bounty to the extent of a 5 per cent. duty to the manufacturers of England. In the speech of the Honourable the Finance Member, he said that we should not cause any unnecessary injury to British interests. Sir, far be it from our minds to cause any injury to British interests. But the real truth in its naked form is this. The proposal of the Government means not protecting the British

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manufacturers from any wrong, but making a present of a 5 per cent. duty to them. What will be the result? Today the competitor of Lancashire is not India so much as Japan. In the last five years the trade of Japan in piece-goods has increased by 33 million yards. In the same period, the trade of Lancashire has diminished by 38 million yards. Now the proposal is to shut out Japan. Who will then step into the place of Japan? It must be Lancashire, and if Lancashire steps into the place of Japan, how does India gain by it? What is the gain to India? Will it help or hinder the development of India's cotton industry? The test that you have to apply is that preference may be given to another country if it does not injure the interests of the country which gives such preference. The Indian market has been snatched away from England partly by Japan, and therefore we are asked to impose a duty only on Japan and not on the manufactures of England. It clearly means that you want to give the advantage of a 5 per cent. duty to the English manufacturer, so that he may come more smoothly, more happily into the Indian market. It practically means that we should tax our people to help England. Now, I ask, Sir, is it fair that such a proposal should be made to the Indian Legislature? The Honourable the Finance Member referred to the message from His Majesty's Government. His Majesty's Government have been very courteous to this Assembly in making an appeal to us to agree to this proposal, and the Finance Member has enforced that appeal by saying that the situation was a very special one and that if we did so, it would have a very important effect on our discussions at the Conference which is likely to take place in the near future. He said this:

"The times are not ordinary. It may not suffice to keep in view only those factors which in ordinary times might be held decisive, for the times are not ordinary. Within a few months the representatives of India will meet the representatives of Great Britain to discuss, in the fullest and frankest way, the future of this great country, and much must depend on the spirit in which they meet. It is obvious that any gesture of friendship which India can spontaneously and without compulsion make to the British Government in their own present grave industrial troubles is bound to strike a responsive note."

I submit, Sir, that this reference to the Round Table Conference was particularly unhappy. In the first place, the Government of India and the Legislature are not united as to what the change in the constitution should be at the next stage. If the Government of India had told the Assembly and the country that they were prepared to support the suggestion that full Dominion Status shall be established at the next revision of the statute, then they would have had some ground, some justification for asking this Assembly to consider the proposal they have put forward. We do not know what their views are; we do not know how far away we are from Dominion Status. We have been asked to attend a Conference, at least some of us might be asked to attend a Conference, where this question of the constitution will be discussed. Suppose we fail to respond to your request, shall we be prejudiced by that decision? Is it right for you to put this kind of pressure upon us? Even if the position were different, even if the case were not so clear as it is, even then I submit we should have expected you not to put this kind of pressure upon us at this juncture. For, I am sorry to say, Sir, that the inference, shall I say the apprehension, is that, if we fail to respond to this gesture of friendship, opinion in England might be prejudicial against us. I strongly hope, Sir,

it will not be. But, if it is, the responsibility for it will lie upon shoulders not on this side of the House but on the other side.

Now, Sir, the Joint Select Committee of Parliament said in their Report on the question of fiscal policy for India, that a convention should be established that in this matter the Government of India, acting in agreement with the Legislative Assembly, should have the power to decide. Mark the words, " in agreement with the Legislative Assembly ". They said:

"This examination of the general proposition leads inevitably to the consideration of one special case of non-intervention. Nothing is more likely to endanger the good relations between India and Great Britain than a belief that India's fiscal policy is dictated from Whitehall in the interests of the trade of Great Britain. That such a belief exists at the moment there can be no doubt. That there ought to be no room for it in the future is equally clear. India's position in the Imperial Conference opened the door to negotiation between India and the rest of the Empire, but negotiation without power to legislate is likely to remain ineffective. A satisfactory solution of the question can only be guaranteed by the grant of liberty to the Government of India to devise those tariff arrangements which seem best fitted to India's needs as an integral portion of the British Empire. It cannot be guaranteed by statute without limiting the ultimate power of Parliament to control the administration of India, and without limiting the power of veto which rests in the Crown; and neither of these limitations finds a place in any of the statutes in the British Empire. It can only therefore be assured by an acknowledgment of a convention. Whatever be the right policy for India"—(*I invite particular attention to these words*)—"for the needs of her consumers as well as her manufacturers, it is quite clear that she should have the same liberty to consider her interests as Great Britain, Australia, New Zealand, Canada and South Africa. In the opinion of the Committee, therefore, the Secretary of State should, as far as possible, avoid interference on this subject when the Government of India and the Legislature are in agreement, and they think that his intervention, when it does take place, should be limited to safeguarding the international obligations of the Empire or any fiscal arrangements within the Empire to which His Majesty's Government is a party."

The Joint Select Committee recommended that the Secretary of State should, as far as possible, avoid interference on this subject, but the interference has taken a more insidious form on this occasion. I have no doubt that His Majesty's Government were prompted by a very kindly thought for the Members of this Assembly. I acknowledge the courtesy which they have shown. I am sure we all appreciate it, but it is unfortunate that, this . . . . .

Mr. President: Order, order. The Honourable Member will have other opportunities to speak on this subject. I would ask him now to conclude his observations.

Pandit Madan Mohan Malaviya: Thank you, Sir. But it was least to be expected that, with that clear recommendation, the Secretary of State should be replaced by His Majesty's Government, and that a message should come to us, through His Majesty's Government, at such a delicate time on such a delicate matter. I do hope that the House will consider the whole question very carefully, and I do hope that the Budget, when it is fully discussed, will lead to an alteration of the proposals for new taxation to make them suit the needs of this country, and avoid the infliction of an unnecessary injury upon the people of this country. The right remedy is more retrenchment, drastic and ruthless retrenchment. That should be the policy to be adopted and not fresh taxation upon a people who are already overburdened by taxation.

*Sir Zulfiqar Ali Khan (East Central Punjab: Muhammadan): Sir, it is generally considered that the budget debate is always a convenient moment for launching a general assault against the Government trenches, and the clearest objective on this occasion is the Finance Member. My experience, spreading over several years, has shown me that the shafts of criticism shot at him, though they have sometimes pierced his strong armour, have not affected him in the least or brought about his surrender. On this occasion I see that a strong attack has been made on his position, and it remains to be seen what effect it produces on him. It is not, I confess, always very easy to attack a man like Sir George Schuster. His affability, his courtesy, and his spirit to accommodate the Honourable Members is such as to take the sting out of the criticism which we make with regard to his proposals. But, Sir, one thing is certain, that the Government have their difficulties, but we have our duties, and I do not think that either of us can escape them. On this occasion Honourable Members on my right have shown in the clearest terms possible that the proposed Budget is most inopportune, and one which is not likely to appeal to the country. We are now, if I am not using a strong metaphor, on the crater of a volcano. The explosion may take place at any moment. I do not think that, in these circumstances, it is a wise policy on the part of the Government to exasperate public opinion and to create a situation which may add fuel to the fire. I may find other opportunities to speak on certain aspects of the Budget, as you, Sir, have informed the Honourable Panditji, and therefore I would rather reserve my criticism on these points to some other time. I would at present confine myself to only a few observations with regard to the proposal to increase the income-tax, and to levy a tax on kerosene oil.

With regard to the income-tax, my brief remark is that ever since the imposition of this tax, there have been frequent enhancements of this tax and every year the Government find opportunities of adding to its incidence. I do not think this policy of crippling the well-to-do classes, who are active, industrious and enterprising, is a paying policy. I know for certain from my experience that the moneyed classes, who are mostly affected by it, feel so discouraged to invest their money in fruitful enterprises that the prosperity of the country is very much endangered. Taxation is generally resorted to in other countries where prosperity exists. Here in India what is the situation? The situation is this, that there is trade depression and depression in agriculture. Under these circumstances both the rural and urban populations are suffering, and if the income-tax is enhanced, I make bold to say that, not only the urban classes, but also the rural classes, will raise a big howl, and I wonder whether Government would find it convenient to meet that clamour. In Europe the present policy of the Governments in different countries is to try to reduce the burden of the people. During the war, the Governments of the different countries had to resort to heavy taxation, and the people submitted to it quietly and submissively, knowing the dire needs of the situation, but now, in Europe also, the policy of retrenchment and the policy of reducing the taxation of the people is the foremost policy of all Governments. As my Honourable friend the Panditji said, what are the circumstances which compel Government to resort to this policy? There is no war and there are no special circumstances existing which demand such

*Speech not revised by the Honourable Member.

a heavy burden, which is proposed to be imposed on the people. If these moneyed classes are crippled in their resources, I do not think there will be any industrial enterprise undertaken by the people, and if this does not happen, then I cannot understand how the prosperity of the country can increase.

With regard to kerosene oil, I would say that the tax would hit the poorest people in the country very hard. Even in places where there is electric light, for example, Lahore, Delhi and other places, the poorest people, who cannot enjoy the benefits of the electric light, have to burn their dim lights in order to illumine the darkness around them, and these people buy kerosene oil to make their huts cheerful. And if kerosene oil is taxed, then Government would take away from these poor people even of this little consolation. Is it fair and is it right to deprive these poor people of this little commodity, this little chance to light their houses?

Sir, one does recognise the necessity of Government to fill the gap of deficit, and the only stronghold where the treasure lies which could be taken to fill this gap is the military stronghold. I need not expatiate on this subject, as other Honourable Members have fully discussed the military situation in India, but I would certainly add my little quota to it. Sir, the military situation in India at present is such that India has no fear from any foreign aggression. Every country in the world has its military forces ready to meet any foreign aggression and to repel it. And perhaps France or Germany or any other country may require her military strength to be kept up-to-date for fear of mutual antagonism. But here in India this is not the case. Look at our borders. I shall proceed from Burma from the side of China. In China we find a civil war is raging and there is not a ghost of a chance of the Chinese attacking India. Then, we can travel towards Afghanistan and make a big jump from China to Afghanistan. Well, in Afghanistan there is no immediate danger for India. In fact, I never thought that there was any danger for India from Afghanistan. The Government there is now engaged in reorganising its resources and its administration. In fact, if there is any danger to Afghanistan, India may possibly have to help her. Then going from Afghanistan to Persia, we find that there is no peril from this side. Persia is not in a position to attack India. If we leave these two countries alone and go beyond them, we find Russia dominant in those countries. Some apostles of the forward policy may say that Russia might attack through these countries, but I do not believe in this. Russia cannot attack India thousands of miles away from her base. The military strategists may know better, but those who have studied the conditions of the world situation may sometimes offer useful advice and criticism. It is impossible for Russia to attack us. Russia may indulge in propaganda work. The Soviet Government may spread propaganda by subtle means, but she cannot bring her forces to attack India, especially through Afghanistan, when Afghanistan herself is not in a position to give material help to the invaders. Therefore, Sir, I do not understand how it is that the Government of India maintain such an expensive force in India when it is not at all needed. The Government of India maintain a force, which is on a war footing, but the war is not at all in sight, especially on the borders of India. Then, what justification is there for the maintenance of such a large force? This force consumes a very great proportion of the revenues of India, and these revenues come from the pockets of the poorest people. Government exists for

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the happiness of the people and for their comfort, and for their peace, and if a Government takes away the little the people have to feed themselves and their children, what justification is there for that Government to say that it is a civilised government, an enlightened government for the good of the people? The efficiency of the Government lies certainly in ensuring peace and prosperity to the country. But their present military policy would certainly not show that they are, by taxing the poor, following the policy of efficiency.

Sir, much has been said with regard to the situation in India *vis-a-vis* the Conference, which may be held in the near future. Although I believe that very strenuous and honest efforts are being made to conciliate India, and to bring about a harmony of aim and purpose, at the same time I cannot close my eyes to the situation which at present prevails in India. We may suspect the motives of Government at home, we may suspect the situation or the formation of new parties in England and their ulterior motives, yet, to be honest and fair, I must say that, if we want success, if we want to carry our aspirations and ambitions to a successful issue, we must face the conditions in England by bringing about a much needed harmony of interests in India itself. Without that, however we may blame Government, however we may try to show to the world that we are able to manage our own affairs, nobody, I am afraid, will feel impressed by mere verbal claims. The world will only feel impressed when we show a united front, and I have every hope that there is a disposition existing in the country at present that there should be a blending of interests of the different peoples in India. And I think the near future may bring about a perfect unity among the people. We have reasonable men amongst us. (*An Honourable Member*: "Question.") The question becomes very great, I am afraid, when you yourself question it. We have certainly, in spite of what my friend may say, among us people who understand politics, who understand that unity alone can bring about freedom and liberty to this country. But what is being done? My Honourable friend to my right, Mr. Jinnah, says that an army is necessary for the purpose of bringing about unity.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): I did not say that at all.

Sir Zulfiqar Ali Khan: Then, what did he say?

Mr. M. A. Jinnah: I will say if my time comes.

Sir Zulfiqar Ali Khan: If the Honourable Member wants to hear my reply then, I am here.

Mr. M. A. Jinnah: My observations were not meant for the Honourable Members at all.

Sir Zulfiqar Ali Khan: Then, I am very grateful to my Honourable friend.

Mr. M. A. Jinnah: But he did not quite grasp what I said.

Sir Zulfiqar Ali Khan: My hearing is rather defective. Well, Sir, in spite of this confession on the part of my Honourable friend, I would still persist in saying that there are sensible men among us, and I would put

foremost among them my Honourable friend, Mr. Jinnah himself, (Hear, hear and Applause.) and I hope that he will emerge from that Unity Conference, which is at present sitting, with the biggest credentials and will show to the world that the impossible has been achieved. (Hear, hear.) Sir, there is nobody belonging to any country, and there is no citizen of any country, who does not want that his country should not have the breeze of freedom and liberty blown across its face, and I therefore say that, whether I belong to the Muslim community, or whether I belong to any other community, it is our united desire that India should be as dignified, that India should be as independent, (Hear, hear.) and that India should enjoy as much liberty as any member of the British Empire. (Hear, hear.) For this purpose, I am certain that the Indians are ready to make sacrifices. Knowing from my contact with the young and the old, and knowing the temper of the people, I feel sure that this readiness to sacrifice something to achieve the liberties of India will go a very great length in securing for the people of India those liberties which are her birthright. Now, Sir, ...

Mr. President: I think the Honourable Member must conclude now.

Sir Zulfiqar Ali Khan: I shall take my seat, Sir.

Mr. M. R. Jayakar: Sir, in intervening in the debate at such a late stage, my justification is that I wish to invite the attention of the House to one or two important features which arise on the Budget. I do not wish to go into the technical side of the Budget, first, for the reason that I have no time, and secondly, I do not pretend to be an expert in those matters. I will offer my comments on the Budget as a politician, as a layman, and will present the House, for its consideration, with one or two important questions which arise on the Budget. I take the Budget as a kind of diagnosis of the Indian financial situation offered by a very friendly and expert physician, Sir George Schuster. May I remind him that, when he assumed charge, he was reported to have conceived his office as that of a physicial called upon to diagnose and improve the financial situation of the country? A local paper reports his speech as couched in the terms of a famous oath of Hippocrates:

"I will use all ways of medical treatment that shall be for the advantage of the sufferers, according to my power and judgment, and will protect them from injury and injustice. Nor will I give to any man, though I be asked to give it, any deadly drug, nor will I consent that it should be given, but purely and holily I will keep guard on my life and my art."

That, Sir, is the conception of Sir George Schuster of his own office, and therefore the diagnosis of the financial situation, coming from such an expert and friendly ministrant, is entitled to great consideration. I may call the attention of the House to the fact that, before this statement of Sir George Schuster was made about a year ago, it was preceded by an equally important observation of his predecessor, Sir Basil Blackett, who promised the House an abundance of surpluses as a result of his financial policy. I will quote a short extract from his speech. He is reported to have said:

"Intrinsically the financial position of the Government of India seems to me to be sound and prosperous. From 1929-30 onwards"—

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Honourable Members will please mark these words:

"From 1929-30 onwards it will be the privilege of this House and of my friend and successor, Sir George Schuster, whose acceptance of the post is a matter of great personal satisfaction to me, to find no outside claimant to the recurring surpluses, which I hope it will be their good fortune to enjoy in the coming years, and they will be free to turn their minds on the one hand to new directions in which money can be usefully laid out for India's advancement. . . . ."

Well, Sir, that is the diagnosis of a physician whose innings was over, and on the scene came an expert medical man in the person of Sir George Schuster. Therefore, his diagnosis of the present situation is very important. What is his diagnosis of the financial situation? Throughout his budget speech, he suggests in several paragraphs, as if he used the words specifically, "I have made every attempt at retrenchment and economy. I have tried my best to see where I could make cuts and the Budget I present to the House is a result of that endeavour; it is impossible to make further economies". I hope that I am not unfair to Sir George Schuster in regarding this as the main implication of the Budget. The Budget is the result of a very close scrutiny on the part of Sir George Schuster, an expert who came with a great reputation in other parts of the world, and is the scion of a high family of great financiers in Europe. His diagnosis of the present situation, which fills me with apprehension, is this, that there is no scope for further economy in the Departments of the Government as constituted at present. His other diagnosis, which fills me with even greater dismay, is that India is in a state of chronic indebtedness, and the extent of her indebtedness, speaking roughly, is about 1½ crores a year normally. I am not an expert in figures, gentlemen . . . . . .

Mr. President: Order, order.

Mr. M. R. Jayakar: I am not an expert in figures and I am stating what strikes me as a layman. I may frankly say to my Honourable friends that it is this aspect of the Budget which fills me with complete despair. The opinion of an expert like Sir George Schuster is that Government have practically come to the end of their tether, that we cannot run the Government except with a habitual deficit of 1½ crores, and that, but for windfalls like the German reparations and the income-tax from the Privy Council, we should have an additional deficit of 1½ crores even in the present Budget. Well, Sir, it is this insolvent aspect of the Budget which I want to put before my Honourable friends. In other words, without mincing words, Sir George Schuster tells us that the Government of India is a bankrupt Government. I am only paraphrasing, in plain words, the observations of the Finance Member. He tells us, without using these very words, that India has arrived at a stage when her Government has become bankrupt. We must all thank the Finance Member for his frankness, to which I invite the attention of the House.

4 P.M.

The remedy suggested is a very difficult one. I do not want to go into the technicalities of the cotton duties, for two reasons; because at the present moment it may not be right to offer any opinion on that, pending the discussions which are going on, and secondly, because it is

a somewhat technical question, and I do not claim to have first-hand acquaintance with it. I will leave the question alone for the moment. I shall now refer to another matter, which struck me when I read the budget speech, I mean the portion which relates to the Military Department. Lord Bryce, the great constitutional authority of England, once visited India. He was led by his curiosity to travel throughout this country. On his departure he was asked what he thought of the system of Government in India. Lord Bryce is not in any way a person biassed by Indian views. His views therefore are of independent value. I will state to the House the remark which he made about the system of Government in India. He is reported to have said, "I smelt gunpowder everywhere in India", a very significant remark indeed, proceeding from a person of Lord Bryce's acquaintance with constitutional questions and his impartiality and detachment as a person unconnected with India. May I say that I too smell gunpowder everywhere throughout the Budget? A great joke has been perpetrated of 80 lakhs retrenchment in 55 crores of rupees in the Military Department! Sir George Schuster will excuse me for saying so, but it is indeed nothing more. 80 lakhs of rupees in 55 crores; and that too spread over three years; half the revenue at one stroke assigned to the Military !!! When the yearly revenue arrives, the Government distribute it at once into two parts, one for the military and the other for everything else. And all that Sir George Schuster is able to do, with his great friendliness for Indians and his expert knowledge, is to cut down 80 lakhs in three years.

I want Honourable Members to examine the implications of this, that we have arrived at a stage when our Government, otherwise bankrupt, insist on spending half its revenue on fighting. As the Honourable the Leader of the Opposition said, let us hope that this is the last Budget of the present Government. Let us all hope that the next Budget will be different, both in its nature and authorship. But what we have to see today is that we have the testimonial of an expert that this Government is on its last legs, has come to the end of its tether, and cannot proceed. The remedy suggested does not strike the non-official mind as either proper or adequate. It is a scheme of taxation not for the purpose of giving relief to the nation-building departments, but for the purpose of enabling Government to set their house in order. Further taxation for the purpose of enabling a spendthrift Government to make both ends meet!! I am not an economist, Sir George Schuster is. I learnt my economics at college many years ago, but I remember learning the elementary lesson that new taxation cannot be justified on the ground that it enables the spendthrift to meet his extravagance. I can understand new taxation for the purpose of enabling the Provincial Governments to go on progressively in their nation-building departments. When I say this I am not ignorant of the hope held out by Sir George Schuster that if there are surpluses—note the condition—if there are surpluses they will be handed over to the Provincial Governments for the purposes of the nation-building departments. He does not say there will be surpluses, but if there are surpluses they will be handed over. I submit, Sir, that this is a delusive canon of taxation.

Sir, I do not wish to speak long, because I know Sir George Schuster must have enough time to reply. I now come to another part of his budget speech, namely, the appeal made to the non-official Benches by

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Sir George Schuster and His Majesty's Government behind him, to strike a responsive note at this time as a kind of prelude to the ensuing Round Table Conference. You have ruled, Sir, that this is not the time to go into the question of the Round Table Conference. I will therefore not go into that matter at all. But may I say that we are not unwilling to respond and to strike a responsive note, we all know how every day some of my friends, on this side are engaged in creating a responsive atmosphere. But may I draw the attention of the Government of India to the necessity of creating a similar atmosphere on their side? A responsive note, as the word "responsive" denotes is a correlative and reciprocal process. May I draw the attention of the Government of India to the necessity of pulling up their own men in this connection? In these days when the Government of India are thinking of calling a Round Table Conference, and asking for a responsive atmosphere, what are their own pensioned servants doing,—men who have fattened on the money of the Indian people and drew salaries from the Government of India, men who have retired from here and are being sustained by the revenues of the people of India,—what note are they striking? Are they helping the creation of such an atmosphere? May I in this connection draw the attention of the Government Benches to a report in the *Statesman* of the 27th February? I will just explain by way of preface what I am referring to. Honourable Members will remember that, a few days ago, I was so fortunate as to get, with the aid of the European Group, a Resolution through this House, that simultaneous examinations for the Indian Medical Service be started in India and England. It was a very mild Resolution, which even the European Group saw the justice of helping me to get through. Referring to that little episode in this House, some remarks have been made in England by a gentleman called Sir Cecil Walsh. This person had the distinction of being a Judge of the High Court of Allahabad, and if my memory is correct, he made himself notorious even when he was a Judge, by his anti-Indian feelings. While a judge, he wrote a book which, as Pandit Kunzru tells me, created a great sensation at the Bar, for his venom against the Indian people. This gentleman has now retired apparently on a fat pension and safe in his retirement, and probably from a cheap boarding house in London, which is often the haunt of such spent up men, he is fulminating against the people whose salt he eats. This gentleman has the audacity,—I wish the Government of India would pull him up for it—he has the audacity to say with reference to my Resolution, I am reading from a report of his speech appearing in the *Statesman*:

"Sir Cecil Walsh is specially scathing in his condemnation of the half-heartedness of the official Europeans in the Assembly on the occasion utilised by Mr. Jayakar to press, on racial grounds, the claim of Indians to the places and the authority of the Indian Medical Service. Is it not time, asks Sir Cecil Walsh, that English spokesmen in the Assembly stiffened their backs against some of these sharp shooters (of Mr. Jayakar) instead of constantly showing the white feather or retreating from the fight?"

Then he goes on to say,—a most extraordinary statement proceeding from an ex-High Court Judge—that if Indians are appointed in larger numbers in the Indian Medical Service, then:

"The English woman will be obliged to leave India by reason of the lack of reliable medical assistance and the Englishman too will go, and with him the British Raj."

This is the atmosphere that the pensioners of the Government of India are creating in England. This is an atmosphere, the growth of which the Government of India can at once check, and I thought it was necessary for me to draw the attention of Sir George Schuster and his colleagues in the Government to this fact in order that steps might be taken to silence the garrulous pomposity of this ex-judge. This person is, I understand, the President of the Anglo-Indian Association. I should therefore like to ask Colonel Gidney, who has great experience in this matter, whether he thinks that English men and English women in India will leave the country for the simple reason that a few places are given to Indians?

Lieut.-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): As President of the Anglo-Indian Association and representative of the community in this House, I dissociate myself entirely from the insulting and scurrilous statements Sir Cecil Walsh has made.

Mr. M. R. Jayakar: I am very glad to have that assurance, and I hope that the Government Benches will also dissociate themselves from these offensive lies. Let them remove this irresponsive atmosphere on their side, and we shall be ready to reciprocate. The remedy for the evils touched in the speech of the Finance Member is strict and drastic Indianisation. That is the one remedy that I can suggest. I am not relying on any racial grounds. I am speaking merely from the point of view of economy and retrenchment. As the Honourable the Leader of the Opposition, Pandit Madan Mohan Malaviya, pointed out, the one thing necessary is to Indianise the services and curtail the army expenses. I do not wish to refer to the experience of other countries which came to the conclusion that only 20 per cent. of the total income could be justifiably spent on military expenditure. Whatever other countries may have to say, I know that in my own country it is a most wicked system, under which 55 crores out of about 135 crores are dispensed on military matters.

Another suggestion I should like to make to Sir George Schuster, and to the House also, is that India is too poor to run simultaneously two militant Departments, Civil Aviation and the Army, in full strength. If the ambition of the Government is that these two Departments should go on progressing simultaneously, it will be a disaster. I would wish the House to be careful the next time grants for Civil Aviation come before us. Let the House ask boldly the question of the Government Benches, what retrenchment are they going to make in the Army Department as a result of an advance in aviation? As the result of our grants, progress in aviation will take place, and on the occasion of each such grant let the Government Benches tell us what corresponding economies they are going to effect in the Army Department? I hope the Honourable Members will therefore be more careful, when the occasion comes, and not grant a single farthing for civil aviation until Government agree to make corresponding economies on the army side.

The Honourable Sir George Schuster (Finance Member): Sir, I am afraid that I shall have to ask the House to descend from the rather high altitudes in which they have been travelling on Mr. Jayakar's eloquent wings. My task concerns itself with hard and dry facts, and it will be necessary for me to deal with some of those facts. But I would like to express a word of gratitude to my Honourable and learned friend for having reminded me of that oath to which I made reference in my first budget speech last year, as something which expressed perhaps in words which were rather more

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romantic than are usually employed by those engaged in my material calling of finance, but which nevertheless did express what was to be my desire in administering the heavy task which rests upon me now. For if there is one note which I have tried to strike in framing my budget proposals this year, it is the recognition of my obligations as an honest physician charged with the care of the financial health of this country. It has not been an easy task, and I knew that it would not be a popular task; but I feel that the very worst service which I could do to India would be to disguise the difficulties of the case and to deal with the present situation by mere temporary expedients.

Sir, before I deal with the main framework of the case which has been put against the Government by many of the speakers on the other side of the House, there are one or two particular points—points, some of them of importance—which were raised by various speakers in regard to which, I think, I owe a definite answer, and I would like to deal with those first so as not to interrupt, at a later stage, the main thread of my argument.

Questions were raised as to the reactions of the proposed duty on silver, on silver ware and silver thread, and I was also asked, I think, what the Government proposed to do as regards silver produced by local mines. I am not prepared to give a final answer on any of those points. I can only say this, that they are receiving the attention of the Government. I fully appreciate the points that have been made on the other side, and I hope to be in a position to give definite views on those points very shortly.

Then, my Honourable friend, Sir Purshotamdas Thakurdas, raised a particular point as regards our proposals with reference to the Gold Standard Reserve interest. I feel that it is important I should give an explanation on that. My Honourable friend suggested that we were putting by a sum of £150,000, which he calculated as equivalent to 30 lakhs.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Twenty.

The Honourable Sir George Schuster: I beg my Honourable friend's pardon. I understood him to say 30 lakhs. He seemed to be under the impression that we had a sum of 20 lakhs which we might have used for the relief of revenue this year. I should like to explain exactly what the proposal is. The proposal is that we should treat as a standard revenue in respect of the Gold Standard Reserve a sum of £1,600,000 and that if in any one year the revenue exceeds that sum, the excess shall be treated in the following way; one half should go to an equalisation fund and the remaining half should be credited to revenue. To give an illustration of the way in which the system hitherto in force is worked, I quoted figures for the last two years and explained that, as a result of the sudden depreciation in our investments at the end of the year 1928-29, our receipts had only been £1,200,000 roughly, whereas in the current year, 1929-30, owing to the recovery of that loss and to high rates of interest prevailing, our receipts have been £2,400,000, and I explained that this was very disturbing as a budgetary factor. It will be far better if we can rely on a regular receipt under this head and not have the results disturbed by temporary changes in the rates of interest prevailing in London. The figure which we have suggested as our standard revenue is what we considered to be a safe average rate, £1,600,000, representing the interest on a sum of £40,000,000 held in the Gold Standard Reserve, less the amount which they actually

held in gold, which is rather over £2,000,000. That represents slightly over 4 per cent. which is, if anything, rather an optimistic estimate of what we can get from our temporary investments of the Gold Standard Reserve. Therefore, I think, looking to the future, that is a sound provision. If anything, I say the estimate is a little bit too liberal. There is nothing that we could draw upon this year to help out the Budget of next year. The figure on which we estimate receipts next year is £1,700,000, but I think it is quite likely that we shall not realise that sum. We have actually included in the Budget, working on our new rules, a sum of £1,650,000, representing the standard revenue of £1,600,000 and half the surplus of £100,000. I think, as I said just now, that we should be fortunate if we realised the full amount, because, since the estimates were made up, rates of interest in London have further come down, and, if anything, I think that is likely to be an over-estimate. There is really no chance of our realising much more than what we are budgeting for.

My Honourable friend raised another question in that connection and asked whether the new principle which we are introducing implied any particular intention to dispose of our investments in the Gold Standard Reserve. The alteration in procedure was made as a piece of sound financial practice; it has no reference to any future intentions; but it is a sound financial practice, because the Reserve is there to be utilised, and it ought to represent at any time the real realisable value of the assets which are supposed to be there. From that point of view, it is important to keep the assets valued at the current price of the day.

Sir Purshotamdas Thakurdas: I wish to put a question if the Honourable Member is willing to give way. Supposing these securities are held up to the time they mature, can there be any loss at all when the securities are finally realised? That, I thought, was the question I raised.

The Honourable Sir George Schuster: I am not disputing my Honourable friend's contention that, if the securities are held till they mature, unless the British Government goes bankrupt, there will be no loss, but the point is that it may be desirable to sell them or exchange them for some other form of investment before they mature, and we want to have that particular Reserve always representing the sum which it purports to represent. If there was any depreciation on any particular investment which had not been povided for, there would be a deficiency in the published valuation of the Reserve.

Sir Purshotamdas Thakurdas: Depreciation can come on only if you sell the securities before maturity. Otherwise is it not a mere book entry for the purpose of valuation as required by statute?

The Honourable Sir George Schuster: My Honourable friend is perfectly correct in saying that it is a mere book entry. These investments have now been written down, and when they appreciate again in value, the book loss is recovered. There is no difference as regards the ultimate result, and the provision which we now propose to introduce will correct the effects in our budgetary results of any possible alteration in the valuation of the investments, and I think this new provision will really achieve a most desirable object.

Sir Purshotamdas Thakurdas: Would the procedure I suggested be in correct, Sir, from that point of view?

The Honourable Sir George Schuster: It is very difficult to say what is exactly correct in dealing with a fund of this kind. I might, as a matter of confidence, tell this House that I myself argued at great length on exactly the same lines which have been present to the mind of my Honourable friend, but I was ulimately convinced that the procedure which we propose to adopt is the correct procedure. I should be very glad, Sir, to discuss this at length with my Honourable friend. I feel that perhaps at the present moment we are taking an undue time of the House on what is rather a technical question.

Turning, Sir, to the general case which has been made against the Government, we have not had from the greater number of speakers any detailed criticism of the particular proposals of taxation which I have put forward. The case has rather been argued on more general grounds. It has been said, how can the country face this great and increased burden of taxation? What is the justification for imposing it? A very frequent line of argument has been that we are already at the high water mark of taxation at which we arrived during the war and that now, instead of seeing the tide go down, the public are asked to acquiesce in its rising again to a point which can never have been contemplated. I have endeavoured, Sir, in my budget speech to present the position as it faces us at present as clearly as possible, and to explain to the House exactly why it is that we find this gap to fill. I did not take into review the past history of taxation, and I should like to refer to one or two figures in that connection. Taxes in India—and I think one may include in a nation's taxes both the railway and posts and telegraph rates and direct taxes—were increased by very substantial amounts from the years 1916-17 to 1922-23. In fact, taking railway rates, my summary tells me that there was, during that period, a total increase in fares representing Rs. 11·95 crores, and that in other taxation there was a total increase of Rs. 37·29 crores. Then followed the regime of my predecessor, and in the years 1923-24 to 1928-29, there were actually effected, as the result of definite reductions in rates or taxes, reduction of revenue of just over Rs. 5 crores on railway fares, and over Rs. 2 crores on taxation—a total of Rs. 7·12 crores, and on top of that there was the total remission of the provincial contributions, representing Rs. 9·83 crores. Therefore there was a reduction in what the Central Government could rely upon for their own expenditure of about Rs. 17 crores. Now, the whole point of my presentation of the case has been that expectations of revenue on which the final remission of the provincial contributions was proposed—those expectations of revenue have, for a variety of reasons, not been fulfilled. I do not take a very gloomy view of the position merely because those particular expectations have not been fulfilled. I recognise that this country, like every other country which is mainly a producer of agricultural commodities, is passing through an extremely difficult period today, but I do not regard it as more than a part of the normal ebb and flow of economic movement which now is perhaps more than normal, because we have not yet recovered from the violent oscillations set up by the shock of the Great War. But I feel that we are in one of those periods of depression from which, if history repeats itself—and there is no reason why economic history should not repeat itself in this respect—from which there is every reason to expect a recovery. It is unfortunate that such a period should have come upon the country just after a great risk had been taken in the final remission of the provincial contributions, but I cannot feel that the case is much worse than that. There is perhaps another factor which has supervened, and that is, that the normal growth of expenditure has perhaps been larger than was anticipated,

and I think that possibly in the years following the operations of the Retrenchment Committee there was some very ruthless cutting out of particular kinds of work which it had not been really in the interests of Government to have cut out. Those factors have created the gap which we have to face today. So much for the past.

Now, as regards the present picture, I really think that I can claim that I have presented it in a way which could not possibly be misunderstood in my budget speech. And the point I want to make is that this gap, with which we are faced and which I feel that we must fill by sound methods, is not caused by any immediate extravagance, not by any growth of expenditure, but by certain unavoidable causes namely, the interest charges on deadweight debt, the deterioration in the main commercial services, and the fact that we are now proposing to adopt a sounder method in dealing with our liabilities in respect of Postal Cash Certificates. These are the main factors in the situation, and these added to our previous gap of Rs. 90 lakhs which I disclosed last year make up the total for which I have to find balancing revenue. It would no doubt have been possible to disguise all these facts, but I could not reconcile it—I could never reconcile it—with my own financial conscience to have taken such a course. As regards the future I venture to say—although I always hesitate on these matters to make any sort of prophecy—that if we adopt the procedure which I have proposed this year we shall put the country into a very sound position, and that if things go normally with India, we shall find ourselves in the position of being able to devote funds to that nation-building expenditure which all Honourable Members opposite have pressed for.

Before I deal further with that I must make a few remarks on the actual proposals for taxation which I have made. I think I may conclude, from what has been said in the course of this debate, that there is some criticism in all quarters of some of the taxes, and some support in all quarters again for some of the taxes, and that the criticism and support fairly evenly balances itself out. But I am unshaken in the remarks which I made in my original speech that, in the case of all the taxes that I have proposed, there is some counterbalancing advantage. I referred to the possibility of one exception; I thought that possibly it would be difficult to find a counterbalancing advantage in such a direct impost as the income-tax; but there again I could not reconcile it with my own financial conscience to put forward these new proposals without including some form of direct taxation; and perhaps this consideration might commend itself to my critics on the other side, that the introduction of this particular feature will bring home to all of us who are supposed to be responsible for this extravagance, that if there is Government extravagance, we also have to suffer. I think that there is an element of fairness in that, and possibly that consideration will carry some weight with my friends on the other side.

As regards the tax on silver, I thought I had made it clear in my original speech what were the main reasons which caused us to turn at this particular moment to this levy. I was disappointed, I must confess, in the speech of my Honourable friend the Leader of the Opposition, to find that, although I understood that he was very troubled in his thoughts about the existing holders of silver, his consideration has now been diverted to the interests of those who propose to purchase silver in the future. I

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myself feel quite certain that, in imposing this tax, we have put on something which can hardly be removed, and the danger of loss being incurred by its removal, which was one of the points to which my Honourable and learned friend referred, need not be taken seriously. It can be removed in the unlikely event of silver rising very appreciably, and of course if silver was to rise to anything like its war-time value, to a point where the bullion value of the rupee approximated to its face value, then obviously it would be the policy of the Government to take it off. But otherwise, so far as the position of holders in the country is concerned, the particular point made by my Honourable friend does not, I think, arise.

Now, Sir, in connection with silver, I have been asked, and the demand has been particularly pressed by my Honourable friend, Sir Purshotamdas Thakurdas, that we should make a disclosure of the total operations of the Government since the recommendations of the Currency Commission, and I have been very anxious to take the occasion of my intervention in this debate to give my Honourable friend the information which he desires. I wish to make it very clear that I am doing so as a very special case, because I believe no one appreciates better than my Honourable friend how difficult it would be, in the course of ordinary operations, for the Government at all times to be ready to make public what they are doing. The silver market is a difficult market, a tricky market, and for successful operation in that market it is necessary that our plans should not be publicly disclosed. Subject to that reservation, I wish to give the House this information. The total amount of silver sold since the Currency Commission's Report to the end of February, 1930, was 67·8 million fine ounces. The lowest London price on which any contract for refined silver has been based is 22½*d.* per standard ounce. The average price at which refined silver has been sold works out at 25⅝*d.* per ounce. I think that that statement, if it is considered, will answer some of the charges which have been made against the Government. It will indicate, in the first place, that Government have not been in the market during the whole of the recent period of weakness; it will also indicate that our total sales of just under 68 million ounces over a period of three or four years have not been an overriding factor in the world position. It would also indicate that there has been some public advantage in our policy. I daresay some of my Honourable friends will query this, because they will say that, if the Government of India had not sold, the price of silver today would be very much higher than it is; but that I may say is an appreciation of the position which I, after very careful consideration, cannot accept. In any case let us compare the average price which we have got for that silver with the price that prevails today. The average price we got was 25⅝*d.* per ounce and the price today is about 19½*d.* Therefore, on the quantity we have sold, we have realised more than we should realise if we sold today, to the extent of £17,00,000. That at least indicates that the public interest has to some extent been benefited by the Government's policy.

I do not wish, Sir, to attempt to deal in detail with any of the rest of the taxation proposals. I only wish to touch very shortly on some remarks which have fallen from speakers opposite in connection with the Government's cotton proposals. I wish to refer particularly to what was said by my Honourable friend, the Leader of the Opposition. I would ask him to read again the way in which I presented the original proposal to this

House. He referred to our proposal as interference in a very insidious form. I think, that, if there is one thing that I can claim for the manner in which this subject has been handled, it is complete straightforward frankness. There has been nothing insidious about it. We have definitely put our cards on the table and said, "This is put before the House for the House to discuss".

The other point that I wish to make is—and it is a point, I think, which has not been quite clearly appreciated—that our conclusion on an appreciation of the whole position was that no claim for a general increase in the rate of duty to anything more than 15 per cent. had been established, and that it was only if the incidence of the additional 5 per cent. was limited, that any further duty could be considered by the Government of India, having regard to consumers' interests. I wish to make that very clear, and having said that I leave this subject.

I have dealt, Sir, with the general financial position, and the relation of our new taxation proposals to the past and the present. Looking to the future, I had in mind, as I made most clear in my statement, very particularly the needs of the provinces. Having said that, I come to two points with which I particularly wish to deal, because, in all the criticisms which have been made, there are two points which have mainly come home to me. The first point is that, instead of imposing new taxation, I ought to have found the funds by retrenchment, and the other point is the application of the proceeds. It has been said by some critics in reference to that, "We could have consented even to this taxation if the proceeds of it were going to be employed in nation-building services". Or again, in other words, it has been asked, "What are the Government doing as regards the constructive economic policy?". Those are points of great weight; they are points which have been chiefly present to my own mind in dealing with the whole situation this year.

Now, as regards retrenchment, I would ask Honourable Members to face the facts and to consider the position in which we are placed. I think retrenchment must be considered under two headings. There is retrenchment in detail, the careful elimination of waste in any particular department, and there is retrenchment on a large scale, which means the elimination of whole services, or the alteration of conditions of service on a large scale, or other changes of policy. As regards the former, I believe that the method which I am trying to follow is the most effective method. A great deal more work has been done on this matter than I was able to reveal or explain in my budget speech. My Department has, during the last few months, been working on an analysis of how this growth of expenditure has come upon us, but I have found that, in order to get really satisfactory results, it is necessary to have an officer on special duty for the purpose. That proposal I have clearly explained already. It is a matter which requires prolonged work. It is no use suddenly appointing a Retrenchment Committee to go into questions of this kind. It involves the examination of a great deal of detail, and in that connection, I want to refer to one particular item of the growth of expenditure to which critical reference has been made. I referred in my budget speech to the increasing expenditure, as a result of normal increments of pay, which I put down largely to the operation of our time-scale basis of pay. It seems to have been concluded by many speakers that those increments of pay were increments of pay to members of the Indian Civil Service, based on the recommendations of

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the Lee Commission. That is far from expressing the truth. The main part of the increments—I cannot give the detailed figures, but this is one of the subjects which will be studied very carefully by our Retrenchment Officer. The main part of this growth in expenditure represents increment in the pay of members of the subordinate services, and we are always being faced with new demands in that direction. My colleagues on the Standing Finance Committee know very well how these things come up, and when I hear from Honourable Members opposite, as was said by one speaker, that they have no sympathy with the Government in their position, I would remind them that the demands for improved conditions of service, particularly for members of the subordinate staff, almost always come from Honourable Members opposite; and one demand leads to another. We are faced with what looks like a hard case, involving perhaps a small sum of money, and particular terms of service for a particular branch of a Department are improved. As soon as that is done, another branch of another Department comes along and says that we must equalise conditions for them and so on. And this perpetual rising up the scale is going on, step by step, as a result of comparison between one branch of service and another. It is not only in the hands of the Central Government that the power to control this process lies. It often happens that these demands are based on comparisons with conditions prevailing in branches of provincial services. I think myself, that the time has come to conduct a detailed review of the whole position in that respect. We must know where we are, and what future commitments we are likely to be involved in. We must have some idea of what the peak figure of expenditure is likely to be. This process is always going on, for, apart from alterations in the basic conditions, we have the normal increments working, and we have certainly not yet reached the peak figure in this respect. We are approaching a time when the whole of our position will come under review, and there will undoubtedly be a drastic alteration in the distribution of heads of revenue. We as a Central Government have got to review our position, we have got to find ways of helping the provinces. Before that time comes, it is most important that we should know exactly where we stand and have some sort of forecast of what these normal increases in revenue are going to involve for us. That is really the main object of this particular retrenchment inquiry which we are conducting, but in addition to ascertaining what the real facts of the case are, we shall of course most ruthlessly hunt out any sort of extravagance.

On the other hand, if we turn to what I describe as the second class of economy, economy on a big scale, I would ask Honourable Members to consider how I can possibly tackle questions of that kind when we stand, as we do today, on the eve of a constitutional revision. This matter cannot be dealt with pending the constitutional revision. I want Honourable Members to understand this, because I confess that I did feel that I came before them with a much poorer statement, a much poorer record of work done, in the way of retrenchment than I had hoped for when I spoke at this time last year. I want them to realise the position, I want them to realise the difficulties under which one has been working, and I want to make it quite clear to them that I do not think that the work which can be done in the way of retrenchment has yet been completed. That is a frank acknowledgment of the position,

Now, that brings me to the point whether my new taxation proposals are justified when I have made that acknowledgment. I feel they are justified, and that is what I have tried to explain in my budget speech. If I felt that there was a prospect of a big permanent reduction in expenditure, I might well have hesitated to make the proposals which I have made. But let us face the facts. Honourable Members opposite seem to entertain the idea that officials like myself and my colleagues are very costly to the taxpayer in India. I am absolutely certain of one thing, and that is that, whatever the form of constitutional reform which is coming, if it is a reform which is going to mean an advance in the direction of representative and responsible government, that reform is going to cost you more. You cannot get away from it. At present we have, sitting on these benches six members of a Cabinet responsible for the Government of the whole of India. The claims on the time of all officials are growing every day. We undoubtedly, in the future, shall have longer Sessions, more interest in the work of the Government among unofficial Members, and quite rightly too. I entirely welcome it, but you cannot get away from the fact that it is going to cost more.

Pandit Madan Mohan Malaviya: Increase the power to produce more wealth.

The Honourable Sir George Schuster: I am now dealing with the expenditure side. I feel quite certain that, as regards the administrative services of the country, there is no big prospect of retrenchment. I feel very conscious of the need for making a great effort to make retrenchment, but I could not feel on that ground that there was any reason for postponing the taxation which I was proposing.

Pandit Madan Mohan Malaviya: Why don't you propose the reduction of a few battalions for internal security? There are 28 battalions of internal security. Why cannot a few of them be dispensed with?

The Honourable Sir George Schuster: I was dealing, as my Honourable friend may have appreciated, with civil expenditure. Coming now to the other main field of expenditure, to which of course very considerable comment and criticism has been directed in the course of this debate, the military expenditure side, there again I would ask Honourable Members to recollect what our position is. One of the great disappointments to me has been the reception which my proposals have had for the reduction of 80 lakhs in the military expenditure. That was treated, as my Honourable and learned friend Mr. Jayakar said, as a joke. I think that is one of the words which he used. I think that has a far different significance. After all, a reduction of very nearly 2 per cent. in expenditure is an important reduction, and I ask Honourable Members to regard it as a sign that there is an effort being made to reduce military expenditure, and that when the present period of re-equipment is completed on that ground alone there will be a substantial reduction.

Dr. B. S. Moonje: What is the likely amount?

The Honourable Sir George Schuster: But whatever room there is for reduction in military expenditure, that again is a subject which, on a

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large scale, we cannot tackle just at the present stage. We are committed to this programme of re-equipment, and as soon as that is completed, the future will be considered, but I do not believe that it would have been possible to deal with that question in a more drastic and effective way than I have done in the circumstances which face us this year.

Sir Hari Singh Gour: I thought you were coming to the change of policy.

The Honourable Sir George Schuster: I was trying to make it clear that changes of policy could not be considered at the present stage.

Nawab Sir Sahibzada Abdul Qaiyum: I want to know whether it will be safe to reduce the number of troops, with inadequate communications and long distances to be traversed. The North East and North West Borders are fully armed, and excitements of all sorts are going on over there. In the present state of things there, will it be safe to reduce the present Army by a single person?

Pandit Madan Mohan Malaviya: Quite safe.

The Honourable Sir George Schuster: I think it will be inappropriate to enter upon a debate upon the military necessities at the present moment. I was trying to make the point that this is not the time when large questions of changes in military policy can be tackled, and we have to deal with facts, and in my budget proposals, I have to face the facts as they are. On these grounds, I felt that it was necessary to face, in my own words, the situation as I had presented it. On top of that, I added the further justification that, if things went well, and if in addition to that it was possible to find economies, we had, waiting before us, the urgent need of more money for the provinces. It is in that connection I referred to the possibility of distributing more revenue to the provinces. I am not asking the Assembly to provide money which is not immediately required for the next twelve months. My position is that we need every penny for which I am asking them to vote the taxation. What I do say is that, if at the end of that time, it should prove that there is a margin over and above our permanent requirements, then the imposition of taxation will have been justified, because we shall have waiting before us these needs for finding more money for the provinces, of which I have spoken so often.

Then, I would turn finally to that other point—the application of the proceeds of taxation. We have been asked, what are the Government doing towards a constructive economic policy. A great deal has been said about the Government's failure to pursue any constructive policy in the past. I think in any case our eyes now should rather be on the future than on the past. The main channel of expenditure on this basis, which Honourable Members have in mind must, as I have said, be the Provincial Governments. Therefore they cannot expect to find in the Central Government a very large proportion of that kind of expenditure which they wish to see undertaken; but I can claim, I think, that, in the proposals which I have put forward in the Budget this year, there are definite signs of an attempt to deal with the economic situation. We have our cotton proposals; we have our special sugar proposals; we

have the continuance of our obligations as regards the agricultural research work; and we have a thing in which I am particularly interested, our vote of money for the banking inquiry. All these seem to me to be

5 P.M. important steps, indicating the desire on the part of the Government to intervene as effectively as they can in certain phases of national life where Government intervention seems likely to be effective.

I was criticised by my Honourable friend, Sir Purshotamdas Thakurdas, for the emphasis, or the lack of emphasis, which I laid on industrial development in certain passages of my speech. I must confess that, in writing those words, I had perhaps rather largely my own personal point of view in my mind, and was not consciously writing in the sense of one announcing a deliberate policy on the part of the Government. My Honourable friend criticised me for referring to industrial development, so far as that could be carried out consistently with, and as a supplement to, agricultural development. What I had in mind when I wrote those words was that, in my own view, looking at the conditions in India, there could be nothing worse for the people of India as a whole than to effect a divorce of the ordinary people of the country from the land. I think we are all agreed—I certainly have found in private conversation a great measure of agreement on this point from Honourable Members opposite—that India does not want large urban concentrations. What we want is an industrial development scattered about through the country-side, where people can combine work on the land with earning of money in industrial occupations. But perhaps it was presumptuous of me to venture those words which seem to imply a definite adoption of a particular policy by the Government on that matter. I wish to make that explanation.

I have only one point to refer to in conclusion. Perhaps I may hang the remarks which I have to make on a suggestion which fell from my Honourable friend, Mr. Chetty, in his very interesting and, if I may say so, statesmanlike speech. He referred, at the end, to the necessity for providing machinery by which the economic policy of the Government could be better directed and more actively pursued. He also suggested that it might be advantageous to the Government of India to follow the example of the British Government in constituting an Economic Advisory Council. I may tell him that that idea had also been present to my mind, and I feel that we have a great deal to learn from that example. I have felt, in my short experience in India, that we feel very much the lack of machinery by which the Government can get in touch with unofficial opinion and discuss what should be the main lines of our economic policy. I have also felt a great need for scientific study of the economic conditions of the country. I feel that we often, on all sides of the House, talk in considerable ignorance of what really is happening and as to how conditions here are produced either by local causes or by world causes. The scientific study of all these factors has advanced very much in recent years, and if there is one field on which money could be usefully expended, I think that field deserves our particular attention. As regards the special proposal which has been made by my Honourable friend, I should like to say, on behalf of the Government, that we shall be very pleased to consider with representatives of the unofficial parties what would be the best way of introducing here into India some feature of that kind, and I hope it will be possible for the leaders of the various

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parties, either themselves or through representatives whom they would choose to speak on these matters, to consult with some of us on that matter before the end of this Session. I feel that a constructive economic policy is badly needed by this country. I feel that there is much to be gained by an exchange of ideas and by an appreciation of the realities of the situation. After all, we have only one object, however difficult it may be for Honourable Members opposite to believe it. We have only one object, and that is the advancement of the good of the people of India.

Sir, I have much more that I should like to say, but I am afraid I have kept the House already longer than fits in with their own convenience. It is difficult to deal adequately with all the suggestions which fall from Honourable Members in the course of a debate like this, but I would assure them that it is my practice to have careful notes made of all suggestions, and to go through them afterwards to see if there is any way in which I can meet them or obtain valuable ideas from what has been said. Therefore, if there are some Members to whose speeches I have made no reply, let them not think that their words have been wasted. (Applause.)

The Assembly then adjourned till Eleven of the Clock on Thursday, the 6th March, 1930.

LEGISLATIVE ASSEMBLY.

Thursday, 6th March, 1930.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

THE INDIAN COMPANIES (AMENDMENT) BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I present the Report of the Select Committee on the Bill further to amend the Indian Companies Act, 1913, for certain purposes.

ELECTION OF THE STANDING FINANCE COMMITTEE.

The Honourable Sir George Schuster (Finance Member): Sir, with your permission, I should like to move the Resolution standing in my name, before the House proceeds to the election of Members for the Central Advisory Council for Railways. I explained to you, Sir, that I have to be present in another place this morning. Sir, I beg to move:

"That this Assembly do proceed to the election, for the financial year 1930-31, in such method as may be approved by the Honourable the President, of a Standing Finance Committee of the Assembly not exceeding fourteen in number to which shall be added a Member of the Assembly to be nominated by the Governor General. The Member so nominated shall be the Chairman of the Committee."

The motion was adopted.

ELECTION OF THE STANDING COMMITTEE ON ROADS.

The Honourable Sir Bhupendra Nath Mitra (Member for Industries and Labour): Sir, I beg to move:

"That this Assembly do proceed to the election, for the financial year 1930-31, in such method as may be approved by the Honourable the President, of six Members to serve on a Standing Committee on Roads which will be appointed by the Governor General in Council and the constitution and functions of which shall be as defined in the Resolution on Road Development adopted by the Assembly on the 4th February, 1930."

The motion was adopted.

PROCEDURE FOR THE ELECTION OF MEMBERS TO THE STANDING FINANCE COMMITTEE AND THE STANDING COMMITTEE ON ROADS.

Mr. President: I have to inform the Members that, for the purpose of election of Members to the Standing Finance Committee and the Standing Committee on Roads, the Assembly Office will be open to receive nominations up to 12 Noon on Saturday, the 8th March, and Monday, the

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10th March, 1930, respectively. The election, if necessary, for the Standing Finance Committee, will take place in this Chamber on Thursday, the 13th March, while the election for the Standing Committee on Roads will be held on Tuesday, the 18th March, 1930. The elections will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

ELECTION OF A PANEL FOR THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

Mr. President: The House will now proceed to elect a panel of eight Members, from which six Members of the Central Advisory Council for Railways will be nominated. The ballot papers will now be supplied to Honourable Members in the order in which I call them. Out of 13 candidates originally nominated, Mr. Fazal Ibrahim Rahimtulla has since withdrawn his candidature.

(The ballot was then taken.)

THE INDIAN TARIFF (AMENDMENT) BILL.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I beg to move that the Bill further to amend the Indian Tariff Act, 1894, for certain purposes, as reported by the Select Committee, be taken into consideration.

Sir, only two changes have been made in the Bill by the Select Committee. As the Bill stood originally, one item in the Schedule applied the saccharine duty to certain substances of a like nature, but left a wide discretion to Collectors of Customs to decide whether particular substances were of that nature or not. The Committee have altered the Bill, so as to provide that the substances to which saccharine duty will be applied should be notified by the Governor General in Council.

The second change made is as regards the proposed alteration of the rates of duty on radio apparatus of certain kinds. It is explained in the Report of the Select Committee that the failure of the Indian Broadcasting Company and the decision of Government, as a temporary arrangement, to take over the broadcasting, rendered it necessary to reconsider that particular proposal, and it has therefore been omitted from the Schedule.

These are the only two changes made, Sir, and I do not think I need say anything further in support of my motion.

The motion was adopted.

Clause 2 with the Schedule was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Sir George Rainy: Sir, I move that the Bill, as amended, be passed

The motion was adopted

THE STEEL INDUSTRY (PROTECTION) BILL.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I beg to move that the Bill to amend the law relating to the fostering and development of the steel industry in British India, for certain purposes, as reported by the Select Committee, be taken into consideration.

I explained the object of the Bill both at the time of its introduction and at the time of moving for a Select Committee, and as the Select Committee has reported the Bill without amendment, I do not think I need add anything further.

The motion was adopted.

Clause 2 and the Schedule were added to the Bill.

Mr. President: The question is:

"That clause 1 stand part of the Bill."

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I beg to move the amendment standing in my name:

"That for sub-clause (2) of clause 1 of the Bill the following be substituted :
'(2) It shall come into force on the 1st July, 1930'."

Sir, Honourable Members remember that at the time this Bill was taken into consideration I put forward my views on the floor of this House on behalf of the consumers and also on behalf of the importers. I must explain that I was a Member of the Select Committee, and I did not write a minute of dissent there as I found there was no substantial disagreement between me and the Members of the Committee. But I have nothing to retract from what I submitted on the first day the Bill was taken into consideration. I received a wire from the Bombay Iron Merchants' Association again. Let me, at this stage, make it clear that I have nothing to do with the iron importers in India, and if I have any sympathy, it is with the Tatas, who own a big key industry—the iron and steel industry in India. But one must be fair. This is the telegram received from the Bombay Iron Merchants Association:

"If Steel Protection Bill is passed, same should not come into force before June next, as trade should be given due notice to enable them to arrange accordingly. Orders placed before introduction of Bill should be allowed at old rates."

Sir, I think this is a very reasonable demand. Orders for iron goods have been placed, and it takes two or three months for the goods to be received. My Honourable friend, Sir George Rainy, the other day mentioned that, during last year, 20,000 tons of iron bars were imported. So if this Bill is passed, and these people are not given adequate time, they will be put to heavy loss. Of course, the Bill as drafted says:

"It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, appoint."

If my Honourable friend, Sir George Rainy, intends to notify a date after 1st July, I have no objection. If he assures me of that, I will withdraw my amendment. But if he wants to notify that it will take immediate effect, it will work a great hardship. Although one would like the scope of protection extended to the Tatas, I still maintain what I

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observed the other day. The Tatas have not organised their marketing all over India, although we are forced to extend protection to their industry.

Mr. President: Order, order. That is not the question.

Mr. B. Das: All right, Sir. I will confine myself to my amendment. The Honourable the Commerce Member who is so anxious to extend the scope of protection to the Tatas under the 1927 Steel Protection Act, should see that the importers are not hard hit, and they should be given a sufficient time limit, so that all orders that have already been placed may take effect, and the goods arrive in India without this increased taxation.

The Honourable Sir George Rainy: Sir, I regret I am unable to accept the amendment which has been moved by my Honourable friend, Mr. B. Das. He is asking the House to depart from what, I think, has been the uniform practice with the case of all protective duties that have been imposed. The practice has been, that these duties should come into force as soon as the Bill becomes law, and for obvious reasons, because if time is given, then considerable quantities of the protected goods can be imported at the lower rate of duty, and that is to the detriment of the protected industry. I can see no reason whatever for making an exception in this case.

As regards what fell from the Honourable Member, about the terms of sub-clause (*2*) as it stands in the Bill, the intention of the Governor General in Council is, as soon as the Bill is passed, to issue a notification bringing it into effect in about 7 days. The object of this is merely to give proper notice, proper warning, to the Customs authorities, so that they may be ready with their arrangements. But if so long a period as 3½ months were given, then I think it is certain that there would be time to import considerable additional quantities of these bars and tie-bars and the Indian manufacturer would be prejudiced.

Mr. President: The question is:

"That for sub-clause (*2*) of clause 1 of the Bill the following be substituted :

'(2) It shall come into force on the 1st July, 1930'."

The motion was negatived.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

The Honourable Sir George Rainy: Sir, I move that the Bill be passed.

The motion was adopted.

THE INDIAN PATENTS AND DESIGNS (AMENDMENT) BILL.

The Honourable Sir Bhupendra Nath Mitra (Member for Industries and Labour): Sir, I beg to move that the amendments made by the Council of State in the Bill further to amend the Indian Patents and Designs Act, 1911, for certain purposes, be taken into consideration.

Sir, the amendments made by the other House are wholly of a formal character. They are three in number. In sub-clause (*1*) of clause 1, they have substituted for the figures "1929" the figures "1930". In sub-clause (*b*) of clause (9), in sub-section (*1A*), they have substituted for the word "January" the word "July". They have also re-numbered clause 28A as clause 29 and re-numbered consecutively the subsequent clauses. I am sure that this House will have no hesitation in accepting all these amendments.

The motion was adopted.

The amendments made by the Council of State were agreed to.

THE SPECIAL MARRIAGE (AMENDMENT) BILL.

Mr. C. W. Gwynne (Home Department: Nominated Official): Sir, I beg to move that the Bill further to amend the Special Marriage Act, 1872, for certain purposes, as passed by the Council of State, be taken into consideration.

The purpose of the Bill is fully explained in the Statement of Objects and Reasons. It merely seeks to remove a defect in the Act as regards its administration, as pointed out by the Calcutta High Court. Section 2 of the Act provides that, before a marriage is solemnised, the parties and three witnesses shall, in the presence of the Registrar, sign a declaration in the form contained in the Second Schedule to the Act to the effect that either party has completed the age of 21 years. The declaration should also be signed by his or her father or guardian. The declaration at the end of the Second Schedule to the Act contains, in paragraph 6, the form that, if each party has not completed the age of 21 years, the consent of the father or guardian has been given. But the form, as it is at present, does not require the parties to state what their actual age is, and in particular whether or not each party is of the age of 21 years. All that the form requires is that the bridegroom has to state that he has completed 18 years of age, and the bride has to state that she has completed 14 years. This omission is one which is likely to lead to considerable laxity, as the Calcutta High Court has pointed out, as it makes it possible for a minor to get married without obtaining parent or guardian's consent, and in the absence of a specific declaration of age, may lead the Registrar to solemnise marriages without the consent of the father or guardian, even when such consent is necessary under the Act. The present Bill is designed to remedy this omission. This is the main and most important provision of the Bill. In addition, however, in clause 8, sub-clause (*2*), a few minor provisions of detail have been inserted in order to secure proper identification of the parties and witnesses. Sir, I move.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan Rural): Sir, Honourable Members will remember that I had introduced a Bill for the purpose of removing a similar defect in the Special Marriage Act of 1872. The defect that exists in the Act of 1872 is as follows. If Honourable Members will turn to section 2, they will find that in sub-clause (*3*) it is stated that each party to the marriage must, if he or she has not completed the age of 21 years, have obtained the

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consent of his or her father or guardian to the marriage. Now, this Act was passed, as Honourable Members will remember, in 1872. It was introduced by Sir Henry Maine in 1868. Neither in 1868 nor in 1872 was there any statutory law of majority for this country. The first statutory law of majority was passed three years later. It was passed as Act IX of 1875, and it was there laid down for the first time that a person shall be deemed to have attained his majority, except in the very special circumstances mentioned in section 3, on the completion of 18 years. Prior to 1875 we followed the English law, the English law being that a person completed his minority and attained his majority on the completion of 21 years, and because we had no statutory provision in this country in respect of the age of majority, the authors of the Act of 1872 provided for the consent of the father or guardian in the case of persons below the age of 21, as they were treated as minors. But look at the discrepancy between the two statutes of the Indian Legislature. In the case of a person who is above the age of 18 and below 21, under the Indian Majority Act, except under the special provisions of section 3, with which I am not concerned, he is a major; consequently he cannot have a guardian. He wants to get married, and yet this section 2 provides and makes the Registrar say, "I cannot permit you to marry, unless you have obtained the consent of your father or guardian". Now, assuming that he has no father, and he has no guardian either; the result is that he cannot marry at all. He is a man of age; he cannot obtain the consent of his guardian because, under the Indian Majority Act and the Guardians and Wards Act, a guardian cannot be appointed to look after a major; and yet he wants to be married; he cannot marry under the law. This was the defect which I draw the attention of this House to by providing for an amendment of the Special Marriage Act of 1872, by substituting "the completion of 18 years" for "18 and 21 years". But at that time I was opposed both by the Government and some of my more orthodox friends, and they said, "You are further loosening the law, and we will not allow you to remove the defect". The result was that my Bill was defeated.

Now, Sir, my Bill was defeated, but look at the result of it. If this Bill becomes law, the position would be this. Under the present law, as it is administered by the High Courts, if Honourable Members will turn to section 5, they will see that, under this section, every party has to say, "I have obtained the consent of my father or guardian". Under the law, as administered by the High Courts, the Registrar cannot insist upon a declaration to the effect that the person has obtained the consent of his father or his guardian. But if you are to tighten the law, as Government propose to do, you would be disqualifying a person between the ages of 18 and 21 from marrying at all if he has no father alive, and he obviously cannot have a guardian whose consent he can obtain. I therefore submit that, when the Government decided to bring forward this Bill, they should have gone into the whole question, particularly in view of the Bill which I had myself introduced for the purpose of rectifying this defect in the statute law. Now, Sir, instead of following on the lines of my own Bill, what Government are trying now to do, is to disqualify those persons from marrying under the Act of 1872. In the Statement of Objects and Reasons it is very clearly stated:

"The result is that the Registrar of Marriages cannot enforce the provision about consent if the parties refrain from filling in paragraph 5 of the declarations."

Paragraph 5 is this. To those of my friends who have not got a copy of the Act before them, I shall quote:

"The consent of my father or guardian, as the case may be, has been given to a marriage between myself and C D and has not been revoked."

Up to now a man between the ages of 18 and 21 need not subscribe to this paragraph 5 at all. But under this Bill, if it is passed, such person will be disqualified because he will be compelled to subscribe to this paragraph 5. The result of that would be that persons between 18 and 21 would be disqualified from marrying at all. I submit, Sir, that that is a defect which can only be removed in the manner I have indicated, namely, by the amendment of section 2, sub-clause (*3*), by substituting the words, "and each party must, if he or she has not completed the age of 18 years", thereby bringing the Special Marriage Act into conformity with the provisions of the Indian Majority Act, adding a provision to the effect that he has attained the age of majority as provided in Act IX of 1875. That, I submit, is the obvious way of proceeding in the matter; otherwise you will be making the whole thing thoroughly absurd. You ask a major to go before a Registrar, and the Registrar solemnly asks him, "What is your age?"; he says, "20 years and 11 months". The Registrar asks, "Have you obtained the consent of your guardian"; he says "No, I have not. I cannot have a guardian under the law, and therefore I cannot get anybody's consent". "Have you got your father?" —"No, he is dead". Then the Registrar says "Very well, you cannot marry". That is the position which this Bill will land us in. Now, I ask Honourable Members, can anybody conceive of such an absurdity as this Bill seeks to introduce into the law of the land? (*An Honourable Member*: "Yes, the Government can.") The Government can; they are capable of it. I therefore submit that we must oppose this Bill and compel Government to amend section 2 of the Indian Special Marriage Act by bringing it into conformity with the statutory provisions of the Indian Majority Act. I, therefore, Sir, oppose the consideration of this Bill.

The Honourable Sir James Crerar (Home Member): Sir, the intention of this Bill has been explained by my Honourable friend, Mr. Gwynne. It was merely, without making any alteration of substance in the Act as it stands, to bring the Schedules into conformity with the Act, and to remove the difficulty of administration which has been pointed out by the Calcutta High Court. The point which my Honourable and learned friend has raised is one which will require further consideration. If, therefore, the House will agree to pass the motion for consideration now before it, I shall undertake that no further motion shall be made till that point has been examined.

Mr. M. R. Jayakar (Bombay City: Non-Muhammadan Urban): Sir, the point mentioned by Sir Hari Singh Gour is a very important one. I confess I have had no time to look into the several sections of this Act; this Bill merely says that in section so and so, for the words so and so, the words so and so be substituted; the practice in the Legislative Council in Bombay used to be, when I was there, that when such Bills were on, the Government showed us the courtesy of putting on the table the Acts to which the amendments were proposed; but apparently in this House such a courtesy does not exist; and the difficulty therefore is that we cannot understand exactly what the amendment amounts to. Therefore,

[Mr. M. R. Jayakar.]

Sir, I could not realize the real nature of the amendment, but now that Sir Hari Singh Gour has drawn our attention to it, it seems to be so obvious that the proposed amendment, if allowed, will create a most extraordinary anomaly. A person who has attained 18 years of age cannot have a guardian except under the circumstances which Sir Hari Singh Gour pointed out; and yet this Bill seeks to make a declaration under clause 5 compulsory, which is not the rule at the present moment, according to Dr. Gour. The result of that would be, as Dr. Gour has pointed out, that a person between 18 and 21 will not be able to take advantage of the Act; he will have to find a father; if his father is dead this will be impossible: then he will have to find a guardian, which is impossible again because no guardian can ordinarily be appointed to a person who has attained 18. The words " twenty-one " in the original Act according to Dr. Gour—and I agree with him—were inserted at a time—in 1870—when India had not its own Majority Act, which was passed in 1875. Therefore the words "twenty-one", according to the state of circumstances in the year 1870, were perfectly sensible; but after the Majority Act was passed in India and "eighteen years" was made the majority year in India, it seems obvious that "twenty-one" should have been removed long before this. Therefore what Dr. Gour has drawn attention to is perfectly obvious, and I cannot understand why Government cannot accede to the point and solve the whole difficulty, either by leaving the law where it is now, with the result that clause 5 will continue to be optional, or if they want to make it compulsory, they should change "twenty-one" into "eighteen" years. That solves the whole difficulty. We should, however, like to have the opinion of the Honourable the Law Member on this point.

The Honourable Sir Brojendra Mitter (Law Member): Sir, I must confess that I did not apply my mind to this Bill before this moment. The criticism which Sir Hari Singh Gour has made seems to me perfectly legitimate criticism. If this matter were in court I could easily defend these changes. Sir, I shall give an illustration. My Honourable and learned friend, Mr. Jayakar, knows that in the Hindu law of adoption there is a doctrine that a woman cannot adopt without the consent of her husband . . . .

Mr. M. R. Jayakar: In certain parts of India.

The Honourable Sir Brojendra Mitter: That is the general law; Vasishta says that no woman may adopt without the consent of her husband. What about a widow? One school of Hindu law has interpreted it in this way: She has not got her husband; consent is not possible; therefore, no consent is necessary. In another school of Hindu law it has been held, on the interpretation of the same text, that a widow cannot adopt because the consent of the husband is a preliminary condition. Now, there are these two different views. In the first view, when there is no husband and, therefore, no consent is possible, no consent is necessary, notwithstanding the injunction of law that such consent should be obtained. Similarly, it may well be argued, if this matter came before a court of law, that in the case of a person between 18 and 21 who has got neither a father nor a guardian, consent is not possible, and, therefore, consent is excused. But these are legal subtleties, and I need not weary the House with legal subtleties. . . . . .

Mr. President: Is it worth while proceeding with the Bill?

The Honourable Sir Brojendra Mitter: What I say is this, that since we are legislating, we might make the law clear and not leave it to be played with in a court of law by subtleties.

Mr. M. S. Aney (Berar Representative): At least leave it without creating greater confusion than there was before.

The Honourable Sir Brojendra Mitter: Since we are legislating, we might as well make the point clear, and I must confess that if the proposed changes are made, it would create some amount of confusion.

Mr. C. W. Gwynne: Sir, the points that have been raised will be very carefully examined; meanwhile I would ask the leave of the House to withdraw this motion.

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

THE PRISONS (AMENDMENT) BILL.

Mr. C. W. Gwynne (Home Department: Nominated Official): Sir, I beg to move that the Bill further to amend the Prisons Act, 1894, for a certain purpose, as passed by the Council of State, be taken into consideration. The purpose of this small, formal and non-contentious amendment of section 27(2) of the Prisons Act is clearly explained in the Statement of Objects and Reasons. It is a measure of administrative convenience rendered advisable by the decision, on a recommendation of the Conference of Inspectors General of Prisons in 1928, that the age limit of an adolescent prisoner should be 21 and not 18 as it was before. The amendment is designed to secure a more convenient and suitable provision for adolescent prisoners, both under trial and convicted, for purposes of proper segregation while in prison. Local Governments have been consulted on this amendment and have all agreed to it. Sir, I move.

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill

The Title and Preamble were added to the Bill.

Mr. C. W. Gwynne: Sir, I move that the Bill, as passed by the Council of State, be passed.

The motion was adopted.

THE REPEALING AND AMENDING BILL.

The Honourable Sir Brojendra Mitter (Law Member): Sir, I beg to move that the Bill to amend certain enactments and to repeal certain other enactments, as passed by the Council of State, be taken into consideration.

[Sir Brojendra Mitter.]

Sir, this Bill may be described as legislative spring cleaning. The object is to make some necessary amendments of a formal nature in certain enactments and to repeal certain spent or useless matter in the Statute-book. The reasons for the proposed amendments and repeals are fully explained in the Statement of Objects and Reasons. Sir, I move.

The motion was adopted.

Clauses 2 to 4 were added to the Bill.

The First and Second Schedules were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

The Honourable Sir Brojendra Mitter: Sir, I beg to move that the Bill, as passed by the Council of State, be passed.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Friday, the 7th March, 1930.

LEGISLATIVE ASSEMBLY.

Friday, 7th March, 1930.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

ELECTION OF A PANEL FOR THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

Mr. President: I have to inform the Assembly that the following Members have been elected to the panel for the Central Advisory Council for Railways, namely:

1. Lieutenant-Colonel H. A. J. Gidney.
2. Mr. N. C. Kelkar.
3. Mr. Abdul Latif Sahib Farookhi.
4. Dr. A. Suhrawardy.
5. Sardar Bahadur Captain Hira Singh Brar.
6. Haji Abdoola Haroon.
7. The Revd. J. C. Chatterjee.
8. Mr. H. P. Mody.

THE GENERAL BUDGET—LIST OF DEMANDS.

SECOND STAGE.

Mr. President: The House will now take up the second stage of the General Budget, namely, the Demands for Grants. With regard to the order in which these Demands should be taken up I have got to make a few observations. As Honourable Members are aware, since the last three years, I have been accepting the arrangement regarding the order arrived at by the leaders of parties in consultation with Government. The usual order is thus varied in accordance with the general sense of the House. This year an attempt was made yesterday by leaders of parties, in consultation with Government, to ask me to accept a particular arrangement. That arrangement was this: that I should take up the Demand under the head "Executive Council" first and allow Mr. Kelkar to move a cut regarding the irresponsibility of the Executive Council, and the House should devote the whole day to the consideration of that question. Then tomorrow, the 8th March, I should allow the Independent Party to discuss the question of general military policy, and in particular the inaction of Government on the recommendations of the Indian Sandhurst Committee. That should, according to the arrangement, occupy the whole day. It was further suggested to me that on Monday, the 10th March, I should allow the new Swaraj Party to move some cut on some head which they might

[Mr. President.]

select. I have not been favoured with the particular Demand on which they wish to raise a debate and therefore I am not in a position to announce it to the House, but I have agreed to give them two hours to raise a discussion on any question they choose on any Demand. That will be from 11 A.M. to 1 P.M. After that, the remainder of Monday will be devoted to a cut to be moved by the European Group under the head "Finance". I understand they wish to raise the question of retrenchment under that head. Then on Tuesday, the 11th March, two hours will be allotted to the Central Muslim Party to move a cut on any Demand they select. I was told that they wish to raise the question regarding the Report of the Indian Central Committee. I am not sure whether that would be relevant under any of the Demands for Grants. I therefore look forward to meeting the leader of the party during the recess hour and settling with him what particular cut they propose to move. This will take us up to 1 o'clock on Tuesday. The remainder of that day I propose to allot to unattached Members for a discussion on any question that they wish to raise. They therefore must get together and tell me, in the course of the day, whether there is a likelihood of their coming to any agreement. If they do not come to an agreement and I am not informed in time about their intention, other Grants will be taken up from Tuesday, the 11th March, from 1 o'clock, in the order in which they appear on the paper. If, however, they come to some agreement, and I am informed of it in time, I shall allow the afternoon to be utilised for that purpose. We shall then begin the remaining Demands for Grants in the order in which they appear on the Agenda on Wednesday, the 12th March. I hope this arrangement will suit Honourable Members.

Expenditure charged to Revenue.

DEMAND No. 28—EXECUTIVE COUNCIL.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to move:

"That a sum not exceeding Rs. 91,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Executive Council'."

Irresponsible Nature of the Executive Council.

Mr. N. C. Kelkar (Bombay Central Division: Non-Muhammadan Rural): Sir, I move:

"That the Demand under the head 'Executive Council' be reduced to Rupee One."

In order to enable me to draw the attention of the House to the utterly irresponsible character of the Executive Council, I want to reduce the Demand for the Executive Council to one rupee, or 1*s*. 6*d*. at the present rate of exchange! I will cut them off with a shilling and six pence.

Mr. President: What will they do with one rupee?

Mr. N. C. Kelkar: It is for them to find the way out of the difficulty. After all, they are absolutely irresponsible, and they can obtain whatever they like in so many other ways even if we cut down their supplies.

Sir, it strikes me at the outset that the debate that I am raising on this question of the irresponsibility of the Executive Council happens to coincide with the ultimatum which Mahatma Gandhi has given to Government. This, however, is no mere accident of the situation. On the contrary, this coincidence discloses, in my opinion, the essential unity that exists between the working of the minds within the Councils as well as the working of the minds outside the Councils. Gandhiji himself has said that his demands are not exhaustive, but they are only illustrative. Now, what is his purpose in putting before the Government his list of illustrative demands and what does he really want? We all know, and Gandhiji himself knows, that good government is no substitute for self-government. At the same time, he knows as well as we do that mere self-government also cannot always be a substitute for good government. And the political ideal of a nation ought to be to get both these together, and, between them, to get good government through self-government. That is the object with which Gandhiji has put forward his demands as illustrative of his purpose. He practically says to Government: "Here is a list of illustrative demands for you to take up. If you meet them immediately, you will be showing that the angle of your vision is changed and your heart has also undergone a certain sympathetic change, which I look forward to and which I expect and want". If you just analyse his demands, you will find that he has not asked for anything fantastic. I will briefly recapitulate what he asks for. What he has asked for are really items of good government, and if Government are not prepared even to grant immediately those items of good government, Government stand condemned by themselves. Take the demand for total prohibition. India is a country which is very well known for its abstemiousness. All the religions in India prohibit drink, and if a country steeped in liquor like America has at last accomplished its desire to go dry, why is it fantastic to suppose that in India, if we begin to administer it, we should also enact laws of prohibition? Then, he has asked for the reduction of the rate of exchange to 1*s*. 4*d*. That, as we all know, is a very burning topic, and this side of the House has always considered it to be a legitimate demand. Then he asks for reduction in land revenue by at least 50 per cent. and that it should be subject to legislative control. Some of the Members may be aware that, in our provinces we are taking up this matter with the Provincial Governments. The demand for the reduction of the present land revenue by 50 per cent. need not look in any way fantastic. At present, the land revenue is assessed at the rate of 50 per cent. of the net profits of the agriculturist, but in my own Presidency I remember the Agricultural League that we have formed has put forward the demand that Government should not be entitled to more than 25 per cent. of the net profits of the agriculturist. This is exactly in consonance with the reduction by 50 per cent. of the present land revenue demand, and we also want that agricultural assessments and revisional assessments should all be subject to definite legislation. So, this demand also is not fantastic. Then he has asked for reduction in the military expenditure by at least 50 per cent. to begin with. The present expenditure is about 54 crores. If we reduce this amount to 27 crores, it practically gives a ratio of about 20 per cent. to our total income, and it is admitted on all hands that 20 per cent. should be the usual amount for the Military Budget of any country. So it will be seen that this demand also of Gandhiji is not fantastic, but is very reasonable. Then, he has asked for the reduction of the salaries of the highest grade services by one-half or less, so as to suit the reduced revenue. That is a natural corollary. If the expense is to be reduced,

[Mr. N. C. Kelkar.]

how can it be done unless you reduce the salaries of the highly paid officials? So, that also is not a fantastic demand. Then, there is the item of a protective tariff on foreign cloth. We are just now busy with that very measure in this House. Then he insists on the passage of the Coastal Traffic Reservation Bill. We all know the history of this measure and how keenly we are all fighting for it. Then he asks for the discharge of all political prisoners. That is essentially a legitimate demand, if Government are to look forward to peace in this country and a settlement anywhere, either in India or in England. Then he wants the abolition of the Criminal Intelligence Department or its popular control. I suppose, even if we get our self-government we will want our Criminal Intelligence Department. But then it is not a question of having the Criminal Intelligence Department, but of having the popular control on it. That is what he has asked for. Then he wants the issue of licences to use fire-arms for self-defence subject to popular control. That subject has been so ably discussed by my friend, Dr. Moonje, that I need not say much about it.

Now, Sir, here is an illustrative list of demands put forward by Gandhiji. What does he in effect ask? He says, give me immediately at least these items of good government, if you are not going to give me full self-government. He has explained further that, though the idea of Independence has been put forward, you need not be frightened, as we ourselves are not frightened by that idea of Independence, and if you make up with us on the basis of these reasonable demands, we shall say that we have got good government as well as self-government and we shall see how to get the exact measure of self-government that we want later on. Therefore I feel like getting my whole thesis out of this coincidence of the putting forward by Gandhiji of his ultimatum, and the debate I want to raise in this House at this moment upon the irresponsibility of the executive Government, which is the pivot of this all-India administration. Now, it may be asked perhaps, "Even supposing you get responsible government, or a due measure of self-government, what guarantee is there that you yourself will get all these demands that Gandhiji has asked for? Who has told you, who has given a guarantee that, supposing you enjoy a measure of self-government or some kind of self-government that you want, you will necessarily get prohibition, remission of land revenue and so on and so forth?" To that my reply is that there is no reason, in the first place, why this will not necessarily happen. I, for one, have absolute faith that, if we get real self-government and the machinery of legislature to carry out the will of the nation, all these demands that have been put forward by Mahatma Gandhi will be carried into operation. That is my personal belief; but on the other hand, even if it happens that these demands are not granted by the Legislature under our self-government scheme, then the country will simply blame itself and will go on trying to get what it wants by overturning Ministries, one after another in turn, and calling upon other political parties to take up the administration. That is a recognised method for a nation to get what it wants under a scheme of self-government. Now, what is the essence of self-government? It is that people must get a chance, through their representatives, to carry out the national will. That, in brief, is the essence of self-government. A nation may sometimes be wrong in its views, but it can always claim the right even to make mistakes, for mistakes there must be. The man's soul says, "Thou God, give me

liberty," and liberty for what? Liberty not only to do the right, but also to do the wrong, if I sometimes must do wrong. That is the demand of the soul to God, and that is the demand of the nation to Government. "Give us the right to do what we think best, in our interests; it may be right, or it may be wrong." That is the cry of the nation. After all, that is the privilege which the nation itself wants to exercise. For in the assertion of this right lies the realisation of political life, the political genius and the political soul of the nation.

Now, let us all understand the word, "responsibility," its real significance and its limitations. Even when there is responsible government, it certainly does not mean that the executive possess no power at all. In fact it does possess power, also power proportionate to its responsibility The Legislature, we all know, is a collective body after all, and can discharge its functions, only by definite limited means. This broad sided activity of the Legislature is not so wide as that of the executive itself. There is a particular method prescribed to the Legislature to express its views and its opinion, and principally that by saying, "Yes" or "No." The Legislature collectively is practically always confined to one method of saying, "Yes" or "No," and giving a vote for or against a measure put before it. That is the language through which the collective view of the Council is gathered. In Alexander Dumas' novel of "The Count of Monte Cristo", there is a character which the author describes as paralysed in respect of all its functions excepting its eyes. That character had only one living function, that is the function of the eyes.

Lieut.-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): That is short sight.

Mr. N. C. Kelkar: And that character had no other function living. Similarly, if you look at the legislative body collectively, you will find that its function is practically confined to saying, yes or no when giving a vote. The Legislature, that is the acts of the Legislature, are controlled by the executive in respect of a number of things, namely, say, the initiative, procedure, ballot, allotment of days for sessions, practically a monopoly of time for official business, order of business, exclusive rights, as for example in respect of money Bills, and ultimately the threat of resignation and the threat of dissolution. These are the checks through which the executive Government tries to exercise its control upon the legislative body, whose function is practically, as I have said, restricted only to giving a vote and saying, yes or no, by a single word.

Lieut.-Colonel H. A. J. Gidney: That is long sight.

Mr. N. C. Kelkar: Of course the Legislature willingly submits to this control because it is a control in non-essentials, but in essentials, the control of the Legislature over the executive is, and must always be, greater than the control of the executive over the Legislature. These different advantages on either side are easily seen in practice. Thus, for example, the advantage to the side of the Government and the executive is seen in this fact that, in a properly developed Legislature, it is practically impossible for a private Member to pilot and carry out a private Bill to a successful end. But on the other hand the Legislature collectively . . . . .

Dr. B. S. Moonje (Nagpur Division: Non-Muhammadan): What about the Sarda Bill?

Mr. N. C. Kelkar: But one swallow does not make a Summer. It was because the executive helped Mr. Sarda, that he was able to get his Bill successfully passed by the Legislature.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): If the Government had opposed it, the Bill could not have been completed yet.

Mr. N. C. Kelkar: These different advantages can be shown easily in practice, for on the one hand the executive can make it impossible for a private Member to carry out any legislation. On the other hand, the Legislature collectively can have its revenge and send Cabinets into the wilderness. We have now seen the French Cabinets being scattered like nine pins in the game of skittle at short intervals. How does that come about? Where does it come from? It comes from the natural operation of the expression of the will of the nation as against the executive. What I am trying to put before this House is that the executive and the Legislature have both got power, but only in different forms, and both of them ultimately share that power with the people at large. In well developed democracies, the power is gradually transferred from the Legislatures ultimately to the people in three ways, firstly by the growth of the power of the Cabinet, secondly, by the increase of the electorate, thirdly, by the widening of the franchise and by the growth of independent public opinion in the country. But responsibility is the pivot on which this tripartite balance turns, namely, the balance of the equitable distribution of power and opportunity among the Cabinet, the Legislature and the electorates, all with a common purpose. The word, "responsibility" has a double meaning as it is ordinarily understood. In the first place, responsibility means power, and in the second place, responsibility means liability to take consequences of abuse, or the wrong use of power, therefore, "responsibility" is a two-faced word. It has got two significances practically, but in India at present the executive Government understand responsibility only in the sense of power, and not in the sense of responsibility, and that is my principal point. Whenever Government want to do a certain thing, they very plausibly put it in this way, that Government must be responsible for this. If they want to do you harm, Government will say that they must be responsible for doing this thing in the interest of the country. So in India, unlike other free and self-governing countries, responsibility is understood by Government only in the sense of power and not responsibility. The nation, however, consequently feels humiliated because even the Legislatures with assured elected majorities have no power, no initiative, and national policies are expressed in the Legislatures only to be frustrated by the obstinacy of the executive. Therefore, to put it briefly, our claim for responsible government in India arises out of the humiliation that the nation has suffered from the conduct of Government on the one hand and the weakness of the Legislatures on the other.

Now, what is the present position of the Executive Council in India? It represents practically the whole Government. As we see here, for instance, there are two groups of Members sitting facing each other. One group, on this side, is responsible to the Indian electorates, and another

group, sitting on that side, especially the Treasury Benches, is responsible only to the Secretary of State, who, along with his other colleagues, holds himself responsible to the British electorate, which is six thousand miles away from India. This is therefore practically like two swords in one scabbard. In this one Legislature there are two groups of Members, one of which is responsible to the Indian electorate, and another responsible to the Secretary of State, which means to the British electorate, six thousand miles away. Therefore it is practically like having two swords in one scabbard; and out of that situation, you can easily see how, with the least contact and conflict, there is a rattling of the swords. That was of course the original intention of the authors of the new reforms. The Montford Act did not intend to give either the executive or the electors real responsibility in any way. It continued the ultimate authority and power in the hands of the Secretary of State himself. His Council is practically mere eye-wash, and the story must have been heard by many people in this House that, at the end of three years of the life of his Council, Lord Birkenhead was not able to distinguish Mr. Mullick from Dr. Paranjpye. Both were members of his Executive Council, both must have been sitting at some of the meetings, but the story is going round, and looking at the manner of Lord Birkenhead, I can believe that story that, at the end of three years, he did not know Dr. Paranjpye from Mr. Mullick. And what is the business they do? They do not meet and make acquaintance, because they have got practically no business. And here is a limerick given in Sir Sivaswamy Aiyer's book about the work done in the Secretary of State's Council:

> "Eleven to Noon, think you have come too soon;
> Twelve to One, wonder what's to be done;
> One to Two, find nothing to do;
> Two to Three, begin to see,
> It'll be a great bore, to stay till Four."

That is the method of the work in the Secretary of State's Council, and these are the people who are supposed to be entirely responsible for the good administration of the Government of this country; and this Executive Council, instead of being responsible to the electorate of this country, is supposed to be, and is made to be by law, responsible to the Secretary of State for India.

Now, the Act of 1919, as we all know, did enlarge the Councils, but the Councils were expected, in the words of the Act itself or of the authors of the Act, only accurately and regularly to represent to Government the wishes of the country and adequately criticise its conduct. Nothing beyond that. Here you will see no trace of responsibility, either for the Legislature or the Executive Council. What was expected from the enlargement of the Councils was adequate criticism; and while on that point I may say that, if you expect only criticism from us, why should you expect us to put forward only responsible criticism? If you give us a chance by the game of in and out, then only can you ask us to go in for reasonable and responsible criticism, but if you are not going to give the Legislature any responsibility for what is going on in this House, why do you expect us to be reasonable and responsible for your purposes?

As regards the present character of the Executive Council, I have read what was in the mind of the authors of the new reforms. But I would just like to read one or two passages, giving an exact description of what

[Mr. N. C. Kelkar.]

is the present position in the country. First I will read a small paragraph from Sir Sivaswamy Aiyer's description of the present situation, and I cite him because, in my opinion, he is a man who enjoys an absolute detachment of opinion in political matters. He says:

"The position of the executive *vis-a-vis* the Legislature is far from comfortable or enviable. Government are therefore obliged to resort to all possible arts of conciliation or exploitation of the differences between the different parties and sections. Opposition has to be overcome by coaxing and cajolery, or bought off by favours or concessions. From the point of view of the Opposition it may perhaps be considered desirable that the Government should be kept in a dependant condition and a pliant mood; but there are limits to pliancy and the statute prevents the Opposition from obtaining a mastery of the situation. From the point of view of the administration, it is a source of weakness to the executive that they should be liable to be defeated at any moment by an irresponsible Legislature. Uncertainty as to the decision of the Legislature, and the want of an assured majority therein, must affect that sense of confidence which is essential to firmness of administration and continuity of policy."

This is by an Indian statesman, and now I am going to read an opinion upon the present constitution of India of a well-known person, Professor Keith, the author of "Responsible Government in the Dominions". His words will show that it is not we in India alone, who have been saying that the reforms are useless, and that they do not come up to expectations. He says:

"The Act of 1919 was passed by a Parliament which was by no means convinced of the wisdom of the new move in India, but which felt constrained to do something to make good the promises given by the British Government during the War to which India had responded by great services."

Therefore it is only by our war services that we have purchased this modified or qualified liberalisation of our political institutions in this country.

"The opposition to it was based on the belief that democratic institutions have never been evolved in the East and therefore could not apply adequately to it, a view recently maintained by Earl Balfour. A more generous conception held that the British rule in India existed for the benefit of the lower classes of the population, who were exposed to injustice at the hands of the wealthier classes and the higher castes."

But Professor Keith himself gives the answer:

"But the difficulty that, after a long period of British autocracy, nothing of substance has been done to raise the position of the depressed classes either economically or in point of education and self-respect is ignored. Nor were the critics aware of the remarkable assimilation of democratic principles by such a race as the Filippinoes under the more enlightened generosity of the United States. The apparent development"—*he indulges in a little sarcasm*—"of democracy in Japan was explained away, and the autocracies of the Spanish Directory, Signor Mussolini and General Pangalos had not yet occurred to prove the unfitness of European democracies for liberty."

Our Government might point its finger and say, "Why take China and Japan? Look at the European countries. Look at the dictatorship in Spain; look at the dictatorship in Italy; look at the dictatorship in Greece". Then, he says:

"At any rate the Act was marked by a spirit of distrust and caution in strange contrast with the generosity which conceded responsible government to the Transvaal and Orange Free State."

Government have been more generous to the South African Republic in respect of the grant of self-government:

"It is true that certain extremists in India put forward ludicrous claims and refused to recognise fundamental facts",

—"but", he says, and that is the crux of the whole situation—

"but none the less a more generous measure would have been well worth risking"—

by the Government.

"The Legislature of India, therefore, might be deemed to be representative, but it differed essentially from a true representative Legislature by having ultimately no power to prevent legislation by the Crown."

I would just read one more sentence and show to the House what view a man of that eminence takes:

"The justification for this attitude was, of course, the fact that India, specially vulnerable to attack through the growth of the strength of the tribes on the frontier, the doubtful friendship of Afghanistan."

But in the end he says, and this is most important,—

"But these considerations should have rendered all the more eager the endeavour to open up military careers for Indians and to train the people to defend themselves as a necessary condition of self-government."

Therefore, I have cited to you the opinion of an Indian statesman, Sir Sivaswamy Aiyer, on the present constitution of the executive and the Government, and also the opinion of an English statesman and a great author on responsible government itself. The quotation I have given conclusively proves that, even that man of detachment admits that Government have not gone so far as they should have gone in the matter of reforms in India. Now, in self-governing countries also it may be said that there are two blocks, one block or one party standing for one kind of principles and policy, and facing that block sits another group of Members of the Legislature with a different policy and principles. That is a fact which obtains in every Legislature practically. But then you must remember that both of them are elected by territorial electorates in the same country, and not as in India one block responsible to the British electorate 6,000 miles away, and another block of Members responsible to the Indian electorates. In every self-governing country there are parties, there may be two or three or even four parties, with different principles and policies, and yet why do they carry on the administration, and even peaceful administration and successful administration? Because the country gets a chance to put its will into operation through the medium of the Legislature, though it may be made up of two or more parties responsible to the different electorates with different principles and policies. The real key to the solution of this problem in those countries is that their game of in and out is freely played, and the game allows a chance of making experiments with alternative policies. That is the real cause of the trouble in India. There is no chance of ever trying an experimental policy, an alternative policy. Government have in their hands certain pre-conceived policies, and they go on as if there was great virtue in constantly following only those policies and trying no other policies. But that never happens in a really self-governing country. This process, this game of in and out serves two purposes; either the nation gets what it wants and it justifies the wisdom of its policy by this game of in and out. But suppose the protoganists of particular policies ultimately find out that their policies are not practicable, and they are so convinced, and come to know the practical limitations of their theoretical ideals and principles, and when they are subjected to cross-examination by the stern facts of the practical problems, then of course they give up those policies and they have got nothing to blame except themselves.

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for having wrongly conceived those policies. But where certain policies are ultimately realised as successful, or in the case of other policies the practical limitations are found out by the protoganists, the central thing remains, namely, that the nation has got a chance to put its will into operation. Where the policies are not ultimately realised, or have to be given up as impracticable and hopeless, the game of in and out serves at least as a useful safety-valve for letting off steam of failure or discontent, and the best course for folly or ignorance is, after all, to give it a chance for discovering itself. But there is even a higher purpose of responsibility. The history of evolution of responsibility is interesting. Originally, the theory was that the King governed by the divine right and also could do no wrong. But gradually the view prevailed that those who acted on behalf of the Crown, at least must be held responsible for the legal conduct, and the doctrine that the King can do no wrong ultimately came to apply, not only to offences under the criminal law, but also to political errors. And the King can do no wrong, cannot do any wrong, for the simple reason that he is allowed to do nothing by his own independent will and action, and everything is done for him just as everything is found for him. He is, if I may say so, the most exalted and glorified apotheosis of beneficent inactivity or negation. In the early stages, Parliament in England tried a number of schemes to prevent the Crown from carrying out unpopular policies. One of them was to make the ministers seal Royal documents so that individual responsibility of Ministers could be at once located, and functioning ministers would be assailed and would be called to answer and subjected to impeachment. These crude forms of ministerial responsibility have of course now become obsolete; but something of greater value was obtained in its stead. The responsibility of individual ministers remains to this day, as it was before in past centuries, but in the course of time something more has come in addition to the individual responsibility of ministers, and that is the collective responsibility of the Cabinet, and in the form of this collective responsibility of the Cabinet, democracy has given or taken, whichever you like to call it, hostages to the nation for proper administration according to the wishes of the country. And now the position has settled down finally. It has come to this in England. The King must accept the advice of ministers or find other ministers who will accept responsibility.

Now we are of course as much under the rule of the King as England. The Emperor never comes here. He takes practically no part in the administration of this country. But he must in theory accept, on Indian affairs, the advice of Ministers, or find other Ministers who will accept responsibility so far as the State Secretary is concerned. But even though the State Secretary goes out of office, on account of the collective responsibility incurred by the Cabinet, still in relation to India there is absolutely no change of Government. That game of in and out is never played; no non-official political party is ever given any chance to put its policy into practice, and make experiments with an alternative policy. Therefore, the substance of India's claim for responsible government is that the State Secretary's office should be abolished. (Hear, hear.) The State Secretary's power should, for the most part, be transferred to the Indian Government, and the Indian Government itself should become a national Government. It should be Indianised and also made responsible. That is the substance of our demand for self-government. But here I wish to utter a word of caution. Our claim for responsible government should not be confounded

with our claim for Indianisation of the services, because they are two different things. Indianisation is wanted for two reasons. First of all, it is the birthright of the sons of the soil to run the administration of their own country. Secondly, in the interests of the country also I will say we want Indianisation. For we know, and we believe, that, if we have an Indian agency of administration, such Indian agency is bound to be cheaper and more economical. Therefore, if my Honourable friend, the Finance Member, wants to cut down expenditure, instead of putting an officer on retrenchment duty, or appointing a retrenchment committee, let him at once take up and pursue to its furthest conclusion, the policy of Indianisation, which will give us what we want, and will also give him the retrenchment in expenditure that he wants. It is not a fantastic suggestion. Look at the figures of administrative expenditure in Japan, for instance. My Honourable friend Dr. Moonje will be able to tell you what the pay of an army General is in Japan, compared with the pay of an army General in India, and so on. That same scale can be applied to the whole gamut of the administration here. But then we are told, as we were told some time ago by the Honourable the Finance Member, "Don't you be under the delusion that if you get self-government, your expenditure will go down." It may be so, but even if under self-government we shall have to spend as much as now, we shall certainly spend it in a different manner, through our own men, who in return will get very valuable experience of administration for themselves. I will give this as an example. Supposing we spend Rs. 54 crores on military expenditure, we shall certainly create with that a strong national army in the country and establish factories in the country for arms, ammunition and mechanisation, and also schools and colleges for military education. Indianisation is thus very important.

But that is only one part of our aspiration. For India's heart is set upon self-government also. Independent testimony to our real desire for responsible government, in addition to Indianisation—independent testimony, as I say, comes in from what we find in the Indian States. I am not referring here in any manner to the relations between the British Government and the Indian States over their internal affairs, but what I do point out is, if only to give a parallel, the new movement now going on in the Indian States. Why is the new movement going on there? Our claim for responsible government is not satisfied in the Indian States, where the officers from top to bottom are Indians. There is hardly any Indian State in India where an Indian does not occupy the highest post and does not discharge the highest function. But that is only Indianisation and nothing more. Though there is Indianisation, that does not exhaust our democratic claim and aspiration, for even in Indian States we do say we must have responsible government even at the hands of the Indian officers. What we therefore claim, after all, is the expression of the will of the taxpayer, through the instrument of the legislature and control of the executive. And therefore it comes to this, that if Indian States are misgoverned, we ask both for good government and self-government. But if there are well-administered Indian States, then we do not ask for good government, because it is already there, and still we ask for self-government even in Indian States. Therefore, our claim to responsible government in this country is not spiteful, is not directed against the present rulers simply because they are foreigners. Supposing we enjoy self-government, who knows we may keep some of the Englishmen, the Civilians, if we find them good and efficient men, either as advisers or our permanent officers in the Secretariat, or use them for technical and expert services.

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Not that India has shut itself entirely against foreigners for all time, or means to do it; it wants Englishmen and Europeans; but the question is, who should possess the whip hand of control, and that whip hand of control is claimed by India for the nation itself, rather than that it should be left with an irresponsible bureaucracy.

Mr. President: The Honourable Member is taking a long time.

Mr. N. C. Kelkar: Sir, I have practically come to my last point. I will now conclude by just making one appeal to the Bureaucracy now installed in office, on the Treasury Benches. Sir, with your permission I would like, in conclusion, to address just a few words to the Treasury Benches in a somewhat direct fashion. I would say this to them: "You, occupants of the Treasury Benches, you may be all of you very estimable gentlemen as individuals. I know you possess a high sense of duty, but that duty you owe to an absentee taskmaster six thousand miles away. Don't you therefore feel the irksomeness of your situation? Don't you for yourselves like to be released from that absentee overlord and come into direct relationship, into direct responsibility to the Indian people themselves? When you are criticised, sometimes unfairly criticised, don't you feel like saying to the Opposition, 'Come, good Sirs, here you are, your tasks and your problems, let us see how you, who are so critical of us, acquit yourselves of the responsibility'. Don't you feel the urge of sportsmanship to put you on your mettle and offer a challenge to exchange places with your critics and opponents? Surely you are not so egotistic as to suppose that wisdom and prudence are the exclusive monopoly of the Treasury Benches and that the mere touch of those Benches releases hidden springs of revelation? You will surely be prepared to admit that there may be, on this side also, people who may very well claim to share in your gifts as men of affairs and administrators. If that be so, it is your own duty, as much as ours, to fight with the Home Government to make the Executive Council really responsible to the Indian nation. If you fail in that, you will be unfaithful to your own trust. All legitimate responsibility, like honest labour, has a dignity of its own, and by making the Government of India responsible, you would be only ministering to your own honour and self-respect. But if you do not do it, do not think that the destiny of India will remain unachieved". The nation is up and in arms. It is well aware of both of its points of weakness and its points of strength; but it is not going to falter any longer. It has struck its tents and is marching with the music of hope in its ears and the strength of confidence in its ears. Dominion Status and Independence somehow seem intermingled on the horizon; but which of them should be ultimately cherished or accepted as its immediate or ultimate destiny by the Indian nation depends mainly upon the alertness and alacrity which you show in your duty to India. (Cheers.)

12 NOON.

Munshi Iswar Saran (Lucknow Division: Non-Muhammadan Rural): Sir, in rising to support the motion of my Honourable friend, I am anxious that no words of mine should add to the bitterness of the present situation. There is no impartial critic who will not be prepared to acknowledge that some useful service has been rendered by the Executive Council to this country. Whether the service outweighs the disservice is another story.

Sir, the question that we are considering at this moment has got two aspects, one political and the other psychological. I shall, with your permission, first offer a few observations on the political aspect of the problem, and I shall put one or two very straight questions to the representatives of the Executive Council in this House and ask them to give us straight answers.

We have had one hundred and fifty years of British rule in this country. What have our rulers done as regards the education of the people? We are told, in season and out of season, that they are the trustees of the masses.' I do not propose to pause, consider and examine this theory of trusteeship—I shall accept it for the sake of argument—but I shall ask, in all seriousness, what have the trustees done for the betterment of the education of these very men whose interests they profess to protect?

Mr. B. Das (Orissa Division: Non-Muhammadan): The Education Member is not present here!

Munshi Iswar Saran: Who opposed Mr. Gokhale's Bill for compulsory primary education in 1911? Who, I ask again, opposed Mr. Sarma's Resolution for the introduction of primary education as a post-war concession? Sir, I hope my Honourable friends on the other side will give straight answers to these questions, because on those answers will depend the verdict not only of this House but of the civilised world on their administration. Contrast what they were doing before the introduction of these shadowy reforms known as the Montagu-Chelmsford Reforms with what has been done since their introduction. When our Ministers in the provinces got some kind of power and became in some way responsible to the electorate what happened? By 1927 the number of pupils in primary schools rose to 2·94 millions, or an increase of 44 per cent., while the expenditure on primary education, which was 2·93 crores in 1917, became 6·95 crores—an increase of 237 per cent. I say, Sir, that our progress in the realm of education has been impeded by the Executive Council. They were responsible for our education—they realised the taxes. Why, I ask, did they not educate our people? And today we find ourselves in a position when the reactionaries in England can get up and say, " Oh, you want self-government; you want Dominion Status; how can you have it when there is so much illiteracy in your country?" With that argument I am not concerned at this stage, but I do submit that this argument does not lie in the mouths of those who, by their inaction, have kept us in this condition. The education of the country is one test by which we can judge of the achievements of the Executive Council.

Take the other test; our finances. In his last budget speech, Sir Basil Blackett envied his distinguished successor, because, from 1929 onwards, he would be enjoying surpluses, and he would be a happy man. This view of Sir Basil Blackett, I take it, was the view of the Executive Council. A year after, however, the Honourable Sir George Schuster found the finances of India like the curate's egg, good in parts. What did he say? I shall beg the House to mark this. Only a year after he said there were bad patches in our finances, though there was no occasion for serious pessimism. It was only last year that these remarks were made, and what do we get this year? A frankly deficit Budget, with proposals for intolerable taxation, coupled with Imperial Preference. Sir, there may be some dispute whether this particular proposal constitutes Imperial Preference or

[Munshi Iswar Saran.]

not, but I hope the Executive Government and Sir George Schuster will forgive us if we regard it as Imperial Preference, because I find that journals, weighty and responsible, in England have taken this view. What is worse, Sir, is this. This Executive Council gives us no hope of reduction in the expenditure in the immediate future. The Honourable Sir George Schuster, on their behalf, said, in regard to one branch of expenditure—civil administration—and I must confess that he was perfectly frank—that there was no prospect of any reduction in the near future. I submit with great respect, and I can assure the House that I do not wish to use a single word which may be offensive, that if the finances of a country are any test of its administration, then it must be said that the Executive Council or the Government of India is a failure.

Their policy of expenditure, their manipulation of the ratio, about which there has been repeated complaint in this House and outside, their exchange and currency policy, all these taken together have reduced us to our present condition.

While the country was in an unsatisfactory financial condition, what did the Executive Council do? They started giving Lee concessions to their officers. I do not for a moment wish to minimise the services of the able and distinguished men who confer a boon on us by coming over to this country,—they are all eminent men, I hope all of them are,—but the point is, if the Executive Council had been responsible to us, they would have considered whether, in the present condition of the finances of the country, we could afford to give these concessions to these officers. I say, Sir, if we had an Executive Council which was responsible to us, it would not have appointed the Lee Commission, nor would it have accepted its recommendations. What it would have done is this, it would have taken courage to reduce the scale of salaries from top to bottom. As my friend Mr. Kelkar has said,—and I do wish to support him—it is absolutely necessary that, in the present financial condition of India, and for a long time to come, the scale of salaries in this country should be very much lower than what it is. But this reform will only be possible when we have an Executive Council which is responsible to us, or in other words, when we have responsible Government.

Now, Sir, take another thing. The Government of India have disarmed us, and let them for a moment endeavour, if they can, to look at the matter from our point of view. It is not only that this action of Government has deprived us of our capacity to defend our hearths and homes, but what is infinitely worse is that it has led to our spiritual and moral degradation. Having disarmed us, what else did they do? They would not throw open to us the commissioned ranks of the Army for a long long time. The House is very well aware of the history of this question, and I do not think I need go into it in detail. They resisted our demand for the admission of Indians into the commissioned ranks of the Army. After a long struggle, they have yielded, but they have yielded with such ill grace that their present policy, I submit, Sir, is not only halting but dilatory. They have been spending money over the Army, in spite of our protests, for the last so many years. I have sometimes noticed, Sir,—I mean no offence or disrespect to anybody,—that when we hear the annual wail from this side of the House about the military expenditure, some Honourable Members of this House. . . . . .

Mr. President: We are going to deal with the military question tomorrow.

Munshi Iswar Saran: I submit, Sir, with profound respect that I am not discussing the military expenditure. I am only inviting the attention of the House to the fact of how the Executive Government have failed us in this matter. I hope, Sir, you will permit me . . . .

Mr. President: The Honourable Member can do that tomorrow in a general way. He cannot refer to it in detail today.

Munshi Iswar Saran: I shall not go into details at all. I am much obliged to you for your suggestion.

Now, Sir, this expenditure in 1910 and 1911 was over 28 crores and in the present year 1930-31 it is over 54 crores. Now, Sir, I ask if this Executive Council had been responsible to the people of this country, would it have gone on spending money in the fashion in which it has gone on? Why, Sir? We know as a fact that many suggestions, by way of reform, have been made from time to time, and they have been authoritatively made by the well known Inchcape Committee, and still a good many of them remain on the pages of the Report and have not been carried out in their entirety. I say again, if this Government had been a responsible Government, it would not have yielded in the way it has yielded to the wishes of Whitehall or of the War Office—I do not know which. Proposal after proposal has gone to the India Office, and it has gone there only to be buried in that grave of India's hopes and aspirations. I do not think, Sir, I should weary the House by citing other instances. Look at any department you will, and you will find that the Executive Council has failed and failed miserably. I said at the very outset that there was something to be recorded on the credit side, but truth compels me to say that infinitely more has to be recorded on the debit side.

I may, with your permission, Sir, turn now from this unpleasant topic to a topic which is somewhat pleasant and hope-inspiring. An element of change has been introduced into the political atmosphere by the announcement which was made by His Excellency the Viceroy, and may I, Sir, here pause and pay my tribute of respect and admiration to His Excellency Lord Irwin, if it may not be impertinence for me to do so?. . . .

Mr. President: It is for you to consider.

Munshi Iswar Saran: I would not have done it if I had thought it would be impertinent. Sir, we on this side have differed from His Excellency and from his policy and criticised him, and we still retain to ourselves the right of differing from him and of criticising him and his policy, but that does not prevent us from paying our meed of praise to Lord Irwin for the magnificent part which he has played at this critical moment in the history of the relations between England and India. There has been, I know, Sir, some misunderstanding about this announcement, but may I say that, if one reads dispassionately the announcement together with the speech. . .

Mr. President: I really cannot allow the Honourable Member to discuss the question of the merits or demerits of the announcement in this debate.

Munshi Iswar Saran: I submit, Sir, with profound respect to the Chair that I . . . . .

Mr. President: I cannot allow the Honourable Member to discuss the question of the announcement.

Munshi Iswar Saran: May I be permitted to explain my point of view, Sir. . . . . .

Mr. President: Order, order. I have already ruled that I cannot allow the announcement of His Excellency the Viceroy to be discussed on this cut.

Munshi Iswar Saran: Will you be good enough to permit me to explain my point of view so that you may be pleased to consider it. Am I not allowed to make a submission for your consideration? I am perfectly willing to obey your ruling, but surely you will be pleased to. . . . . .

Mr. President: The Honourable Member knows that I have given a ruling, and the Honourable Member has got to accept it.

Munshi Iswar Saran: Most willingly I accept the ruling. What I want to submit for your consideration is that I am not discussing the question of the announcement of His Excellency the Viceroy. I submit that it is germane to the question which we are discussing, for the simple reason that it provides an opportunity of converting the irresponsibility of the Executive Council into responsibility.

Mr. President: The Honourable Member might vote against the motion in that case.

Munshi Iswar Saran: It is my misfortune that I am not able to explain myself. I hope in course of time I shall be able to make myself better understood. As you have been pleased to give your ruling, I have got to obey it and I bow to it. I shall not refer to the announcement at all. What I say is this. A situation has been created and it is for the Executive Council to so shape its course of action that full advantage may be taken of this opportunity.

I said at the outset of my remarks that there was a psychological aspect of the question. The problem we are discussing is not merely a political problem. I wish Honourable Members on the opposite Benches to realise that it is with us a question of emotion. Indians feel humiliated that the Government of their country is not their own and they are not free. Indians feel that they can only acquire their rightful place among the nations of the world if the Government of their country becomes responsible to them. Even if this Government were the most ideal Government in the world, we would still protest against it and claim freedom. I submit this is a most critical moment and we have got the last chance. Let me hope and trust that Members on the opposite Benches will so shape their conduct as to fully utilise this opportunity and to see that there may be no occasion next year to move this cut. Sir, I support the motion.

Sir Purshotamdas Thakurdas: I rise to support the motion of my Honourable friend, Mr. Kelkar. I am told that it is not necessary this year to repeat this motion, which has been a hardy annual for the past few years, because the Government of India have achieved this year a substantial step forward in securing the Round Table Conference. I submit that the Round Table Conference is an achievement of His Excellency the Viceroy personally, and that this motion concerns the Governor General in Council, namely, the form

of Government here of which, there is no difference of opinion on this side of the House, India has had too much and which India wishes to see changed without any further delay. I therefore feel that, unless during the last year or the present year, there have been some changes in the policy of Government, which can be said to have been a welcome change from their past policy, one must consider the question of censuring the Executive Council, which for all practical purposes represents the Government of India in this House. I have come to the conclusion that there has been no such change during this current year in the policy of Government in various departments, and that this hardy annual, as it may be called, is justifiably revived this year, and this House should pass this motion. Previous speakers have referred to the policy of Government from the political and, as my Honourable friend Munshi Iswar Saran said, from the higher points of view. As representing trade and commerce in this House, I wish to submit to the House one or two directions in which the apathy of Government, as far as commerce and industry are concerned, have richly earned to the Executive Council this censure motion. I will begin by quoting what Mr. Stanley Baldwin has said lately in connection with industries of England and the necessity for safeguarding British industries. England is a far far senior country to India as regards the efficiency and capacity of her industries to hold their own. Compared with England, we, Sir, in this country, as far as our industries are concerned, can be said to be practically in our childhood, and still what does the illustrious ex-Premier of Great Britain say? I will quote from the Notes and Comments of the *Times* Trade and Engineering Supplement, dated the 8th February, of the current year. With your permission, I will quote in full two paragraphs which I am afraid I cannot curtail. They will convey the burden of what I have to put before the House better than any words of mine. I will therefore read these in full. The heading is, "Free Hand for Safeguarding".

"As for the proposed tariff truce, Mr. Baldwin roundly declared that in no circumstances would he or those he led be a party to anything that might be done by the present Government in that direction. He pointed out that there can be no tariff truce between this country and the world; a nation armed with bows and arrows is not in a position to make arrangements with one equipped with modern artillery"—(*India has no bows and arrows, nor modern artillery*)—"And so he came to the important pronouncement that,"—(*these are Mr. Baldwin's own words*)—"If I am to cope with unemployment as it stands today, I must have a free hand from the country in safeguarding the manufacturers". He rightly insisted that the mere fact that the Government had such power would be of assistance in making treaties with foreign powers."

Under the heading "Safeguarding Procedure", the paper says:

"Mr. Baldwin's statement has been taken to mean that he does not intend to revive the famous "procedure" by which protracted inquiries were instituted by his Government into the desirability of imposing duties. Government by committee is deservedly unpopular and it is quite certain that industry does not want any repetition of proceedings that imposed upon manufacturers the obligation of proving a case at their own expense and in the teeth of determined opposition from importers of foreign merchandise whose prosperity was the best evidence of the need for safeguarding but in fact enabled them to undertake expensive measures to defend their interests. Another good point was Mr. Baldwin's reminder that when industry was in process of rationalisation, like the lobster when changing its shell, it needed protection during the metamorphosis."

These words, Sir, are true words, and if they are true regarding England they are a thousand times truer regarding the necessity of our industries in India. If the necessity for England to safeguard her industries after progress in industrialisation for more than two centuries is great,

[Sir Purshotamdas Thakurdas.]

I say that the Government of India can be said to have been not only morally, but almost criminally, liable for neglect of the industries of India at this time of depression. The responsibility is the greater when the Government of India realise that they themselves have avoidably contributed to the existing depression by giving a bounty of 12½ per cent. by their ill-fated currency policy of 1927. Sir, as representing commerce and industry in this House, I consider it my sacred duty to submit to this House that, if for nothing else, for the mere reason that the Government of India have, by a policy of inaction, during the last two years contributed to this acute depression in a manner which was avoidable. If the Members opposite were responsible to this House and could be turned out on a vote of this House, they would not have been in their seats to-day. They would have been turned out last year or even the year before. When I say this, I mean, of course nothing to any one of the Honourable Members opposite personally but collectively as a Government. I say they have more than earned this vote of censure. (Interruption by Lieut.-Colonel H. A. J. Gidney), Colonel Gidney is an expert in medicine.

Lieut.-Colonel H. A. J. Gidney: The motion is not put yet, so how can you call it a vote of censure?

Sir Purshotamdas Thakurdas: It will be a vote of censure I trust by the time the House comes to vote on it.

Lieut.-Colonel H. A. J. Gidney: When the House votes you will be at liberty to so call it.

Sir Purshotamdas Thakurdas: I am saying that it should be passed. Let Colonel Gidney oppose it. (*Several Honourable Members*: "Do not mind Colonel Gidney.") Sir, I am sorry if I have irritated my Honourable friend Colonel Gidney, but if he understood the situation and realised it as well as Members on this side of the House do, he would not have interrupted me at all. I am sorry for his ignorance.

Lieut.-Colonel H. A. J. Gidney: The Honourable Member must not forget that if it had not been for the Commerce Department of Government of India, which he is decrying today he would not be in a position he now occupies.

Sir Purshotamdas Thakurdas: That is a matter of opinion.

Now, let us see what Japan has done lately. She has brought her currency back to the pre-war gold point. She has not appreciated her currency beyond the pre-war level as the Government of India forced us to do. The first thing that Japan did, whilst making the announcement, was to ensure protection to her industries to the extent of the appreciation from the prevailing rate of exchange to the pre-war gold point. Surely, Sir, the statesmen in Japan can be credited by Colonel Gidney to know their business better than he thinks he knows about India.

As against this what has been the condition here? To name only one instance. We are always told that when an industry seeks protection it must go before the Tariff Board. The Right Honourable Stanley Baldwin has said that he would not ask any industry to go before the Tariff Board or what is equivalent to a Tariff Board, and that he would take the whole thing in his own hands. But as far as the Government of India are concerned, even about this slow and patient process of reference to the Tariff Board, I have a very serious complaint to put before the

House. The question of protection to the chemical industry of India was referred to the Tariff Board more than a year ago, and the Honourable the Commerce Member will, I am sure, not challenge me if I say to this House that he expected to publish their Report some time last October, at the latest. Then came December, and then February, and even to this day the Government of India have neither published the Report nor have they told us what their opinion about the Report is. I do not know, Sir, the reason why the publication of that Report has been withheld. Much less do I know the reason of the difficulty of the Government in arriving at their conclusion in this connection. I do not wish to make any guesses, which may be incorrect and may be said to be uncharitable. But the fact remains that, whilst the Government of India are making up their minds, the enterprise concerned in this connection is almost getting desperate, and factories have to close down. Is this fair to the Indian industries? Are the Government of India justified in treating the struggling Indian industries in this way? My constituency, Sir, the Indian Merchants Chamber of Bombay, submitted their views in very unmistakable terms to the Honourable Member, when he was good enough to give them an interview in Bombay last October or November. I do not wish to go into that question here, because the Honourable Member himself confessed then that he very much regretted the delay. That delay till last October or November, has been prolonged by another four or five months, and has caused so much more anxiety and loss to those who have either put their money in or who are employed in that industry. One can only say as a Member of this House, that we are helpless against the Government of India when they prefer to be silent onlookers of such a slow process of death. Are we wrong in supporting this motion and reminding the Government of India that their policy is one which has merited our censure?

I will give the House another instance. Later on in the course of this session will come up the Tariff Bill, the discussion of which I do not wish to anticipate. But I cannot help referring on this motion to the policy of the Government of India, which, in the words of my Honourable friend Mr. Jayakar, always finds us with this written at the door of the Secretariat: "To late". The question of protection to the textile industry was referred to the Tariff Board some time back. I think the Tariff Board submitted their Report at least two or three years back, and, after a full investigation, they recommended an increase of 4 per cent. in the revenue duty. The Government of India have taken almost three years to make up their minds, and, in fact, they have allowed the position of the textile industry to worsen to such an extent that they have now to come to the conclusion that the 4 per cent. recommended by the Tariff Board is today not only essential, but inadequate to enable the Indian textile industry to withstand the onslought of competition from outside India. We are today faced with this position, that another 5 per cent. protection is necessary for the Indian textile industry, but the complication comes in because the interests of Lancashire have to be safeguarded. It is a somewhat tell-tale step, the effect of which may not be realised by my Honourable friends on the Government Benches today but it will make them think and repent a year or two hence. With all the goodwill of my Honourable friends on this side of the House, many of them find themselves in an extremely difficult position. But I will not today develop that point. What I ask is, were the Government of

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India justified in withholding the 4 per cent. recommended by the Tariff Board, after a full inquiry three years back, and if so, in whose interest were they waiting all this time? Why did they wait so long as eventually to discover the 4 per cent. increase in the import duty recommended by the Tariff Board to be inadequate, and that nine per cent., that is more than double, is required, even according to the opinion of the Government of India today? Sir, the Government of India never take a liberal view in these matters. They weigh the pros and cons for protection as if they are weighing out not gold or silver but almost precious stones. Whenever anything is to be given by way of protection, it is, weighed in the scales almost to the slightest decimal point, ·000001, and after such careful scrutiny of my Honourable friends on the Treasury Benches, they today admit that the 4 per cent., recommended by the Textile Tariff Board after a full inquiry, is inadequate, and requires to be reinforced by a protective duty. I will not follow this any further, Sir.

In contrast with this, let us see what other Governments, which are really representative of the people, and wish well for their countries, do. I do not know, but I am sure that the Government of India in the Relative Department must have had telegrams from representatives of Japanese commerce and industry in this country. I have received some telegrams from Osaka, pleading why this duty should not be approved of by this House. But the latest information in this connection, Sir, is really an eye-opener. I have in my hand a telegram from a source in Bombay which I regard as being absolutely reliable. I will read the contents of the telegram for the information of this House:

"Strong report believed reliable Japan selling cloth heavily, guaranteeing to pay, buyers extra protective duty, if any levied . . . "

This is the attitude of the Japanese Government. What a striking contrast this affords to the lukewarm solicitude of the Governor General in Council for the industries of India. The telegram continues:

"Also believed Japanese Government may give bounty if duty levied. Reported 7,000 bales business done."

That, Sir, is the way and the pace at which Governments, which feel for their nationals and their national industry, move and work.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Who is the author of that telegram?

Sir Purshotamdas Thakurdas: I can tell my Honourable friend that it is from a very reliable source, and I take full responsibility for that telegram.

Mr. Lalchand Navalrai: I accept that.

Some Honourable Members: We all accept that.

Sir Purshotamdas Thakurdas: My anxiety was that this House should have the latest information.

Mr. M. R. Jayakar (Bombay City: Non-Muhammadan Urban): This is quite sufficient for our purposes.

Sir Purshotamdas Thakurdas: I have mentioned this in order to bring out the contrast between the solicitude of the Government of Japan for their industries and for the welfare of those who are engaged in their industries and the comparatively leisurely manner in which the requirements of industries in this country are being attended to by the Governor General in Council. In the speech of the Honourable the Finance Member, I noticed another remarkable contrast in this connection. The Honourable Member, in recommending to this House that they should approve of the raising of the import duty on sugar by Rs. 1½ per cwt., making it 100 per cent. on the current prevailing rate for sugar, said that he expected that the consumer would not suffer by this increase. I am not at present saying a word against the increased import duty because, I believe, it will give even though belated, some protection to the sugarcane grower of India. Whilst an import duty of 100 per cent. on sugar is not supposed to be injurious to the consumer, where it is a question of cotton textiles, anything more than 15 per cent. is considered by the Governor General in Council to be so dangerous that it cannot be thought of. Sir, England does not export sugar, but England does export cotton textiles; that is my short commentary on this. It is this which we object to. The Government here may look after our interests well so long as other countries are concerned, but as soon as the interests of India and England clash, we feel every time that the interests of England, somehow or other, do appeal to the Government of India, and our interests have got to wait outside the door. Sir, so much for Indian industries. I wish I could say more about it today, but I will reserve that for the Bill that is coming on shortly. My intention today is only to make out a case that, by their acts of omission and commission, the Governor General in Council have tried our patience and have justified a case for a responsible Cabinet instead of the present irresponsible and irremovable Cabinet.

Now, Sir, one word regarding commerce. A good crop and the export of raw materials from India are the main things on which the Provincial Governments and the Government of India depend for their finances, and those who produce the raw materials are said to be the special care of the Government. We hear from those die-hards in England, who are frightened of any talk of advance in Indian reforms, that the Government of India, as constituted at present, the British public and Parliament are the trustees of the masses of India and therefore nothing should be done until those masses are better educated and can enjoy the ordinary common vote. Now, let us see what the Government of India have done for those who produce these raw materials. I will not, Sir, touch upon the question of the deliberate loot, as I call it, of 12½ per cent. inflicted on the growers of the raw produce in India. It is not my intention to dwell on that. But has anything been done to see that these raw materials from India which go to international markets get the best price which is justified by the quality and by the special nature, if any, in these international markets? Have the Government of India got any machinery at all, have they devised any machinery during the last 100 years of their rule in India to see that these raw materials and their fate in the foreign markets are followed from day to day and that any improvement and suggestions for better marketing in these international markets are either acted up to or devised? Are we wrong if we conclude that the Government of India's only anxiety is that the raw materials should be exported in order that they may get a revenue, and in order that countries in the west should get something which they wish to manufacture into articles, which they wish to send us back in a

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manufactured form? I may be told that this is not a new feature which can be said to have developed in the current year. I fully agree. I am trying to point out that the Government of India cannot have it both ways; either they must whole-heartedly encourage us to do what is being done in other civilised countries in the world, namely, to use our own raw materials and manufacture articles out of them for our purposes; or, at least in order to justify their goodwill for the masses, they must see that the raw materials which go out fetch the best price in international markets, and what I am more anxious about, enjoy the reputation which they should enjoy. When we wanted a few Trade Commissioners in foreign markets not necessarily for manufactured articles but also to look after our exports, how minutely has every item of expenditure in connection with those five or six appointments been examined! What a long time have the Government of India taken to make up their minds whether they will give India this staff abroad or not! How many times has financial stringency been put before us regarding this item! If I remember it right, I think the first Resolution in connection with the appointment of Indian Trade Commissioners overseas was moved in this very House almost about the year 1921, certainly in the year 1924. For six appointments it took the Government of India either six or nine years. Who is it, what is it, that is supposed to be the care of the Government of India? Only this, carry on the Government from day to day and see that England's manufactured articles find a market here. Is that a condition with which any representative of commerce and industry in this House can reconcile himself? I call upon this House to support this motion for the simple reason of showing that we cannot approve of the Government of India's policy in this connection and that the Government of India do require to be reminded that we are greatly dissatisfied with the way in which they have treated India's commerce and industry.

Mr. Anwar-ul-Azim (Chittagong Division: Muhammadan Rural): Sir, I am grateful to you for having allowed me to catch your eye at this stage. But I think it would have been more appropriate if better minds, and gentlemen in the position of leaders on my side had stood up and told our story, so far as this cut is concerned. But in any case I feel, Sir, that I have the support of my friends here with regard to what I have to say in this connection. I have listened with a very great amount of interest to what has fallen from the noble Knight who has just sat down with regard to some of the financial and industrial matters, and not being an industrialist or a financier myself, I do not feel justified in dabbling in or passing any opinion on them. But as a very humble student of economics, it appears to me that perhaps there is quite a weighty amount of truth in the charge that has been levelled by him at the financial policy of Government. But I do not think that, at this juncture, it will be right for us, people in a hopeless condition, belonging to minorities, to rouse the ire, should I say, of the Government of India, represented by the Executive Councillors who are all my friends. One very significant fact has been brought out by the speech of Sir Purshotamdas Thakurdas and it is this. Perhaps Government have been—rightly or wrongly—indulging in some costly luxury in giving effect to their decision in regard to the ratio. I personally feel that, as time passes on, with the advantage of having Sir George Schuster as Finance Member, it will be possible for Government to hit on some form by which this national waste could be stopped to an appreciable extent.

Now, I have no quarrel with anybody in this world because we are so unhappily placed in this country. Wherever I turn my eyes, I find myself absolutely in a wilderness. If I had sufficient data at my disposal to support Mr. Kelkar I would have been pleased to help him, and it would have been in this form. You know, Sir, that here, with the efforts of one of our very great men, some sort of trial or experiment at constitution-making is going on here in Delhi. To the credit of Mr. Jinnah it must be said that he has tried his very best to represent our side of the story to those gentlemen whose spokesman Mr. Kelkar is, who has come out with this cut on the Executive Council and on their behalf. And here I may pertinently ask one question. The Honourable the Mover of this motion has got peculiar and bewildered ideas with regard to his rights and duties while he is not in office, while he does not form any part of Government, while he has not got any authoritative say on the policy of Government. And even then, what do I find? Not even an inch of encouragement by way of acknowledging our just and proper rights. If Mr. Kelkar meant business, I am sure, before coming forward with this cut, he should have considered with what audacity he was coming before the House to have its support. You know, Sir, that here in this country, since 1885, the goal of the intelligentsia of the people has been some sort of provincial autonomy. You will know, Sir, as a veteran statesman of our country, that every year, down to 1925 or 1926, the Congress has demanded full provincial autonomy. (*Maulvi Abdul Matin Chaudhury*: "Question.") I repeat again, for the knowledge of my friend Mr. Chaudhury, who is so hard on me at times, that if he will scan through the resolutions of the Congress from 1885 up to a very short time ago, he will find that they have been clamouring for provincial autonomy and nothing else; and some sort of encouragement has been shown to them from 1909 as such. And from 1909 up till 1920 there has been some sort of compliance with the desire of the Congress. My humble submission is this, that if the Congress meant business, if they had a little foresight in 1885, they should have tried for Dominion Status and Independence then. If as a result of 40 years' crying, the Morley-Minto Reforms came into effect, and on the top of that the present constitution, of which we are a party, I should as an impartial critic think that perhaps the intention of Government is not so bad as is depicted by the Mover of this motion.

Secondly, I should like to ask Mr. Kelkar one other question. He wants now, at this stage, full-fledged autonomy in the centre. Suppose places of eminent civilians and of our countrymen on the Treasury Benches are placed at our disposal and we are given a chance, may I ask him how he will have his Cabinet formed? I hear a whisper that they will take me. They need not take me individually. But, if the actions of Mr. Kelkar and his friends were any indication that they have really even a grain of respect for us, who had been rulers in this country for 800 years, who had a stake here in this country for 800 years, and still have, and who had brought culture to the people, and who had once, in their time, ruled from the shores of the Atlantic to the wilds of Assam; if Mr. Kelkar and his friends, before moving this cut at this stage, had come to us and taken our just sentiments into consideration, and if he had commpromised with us honourably we would have been pleased to help him. I do not say for a single moment, Sir, that it is not possible to evolve constitutions which might legitimately satisfy all people inhabiting this country. What is needed is courage and broad-mindedness and nothing else. In this connection, I should also remind my Honourable friend, Mr. Kelkar,

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that it was his preceptor, Mr. Tilak, who presided over the Indian National Congress in 1916 at Lucknow. He had a large vision and he agreed to the Lucknow pact. As a result of that, some consideration was shown to us under the Montague-Chelmsford Reforms. The consideration was of a just nature, and not a favour.

Mr. President: It is Friday today.

Mr. Anwar-ul-Azim: Yes, Sir, I know, and if Mr. Kelkar and his friends, who want to have Swaraj in this country, had arranged for some such pact and came here with this demand, it would have been better. When I say this, I do not for a single second feel that the policy of the Government as a whole has been on the right lines, because it seems to me that the policy which they have been pursuing from the beginning of this century has been one of yielding to the mailed fist. I am not a believer in the mailed fist, Sir; I am a believer in evolution and constitutional progress. You know that in 1905 the Government of Lord Curzon created a province on the South-Eastern side of India, and they said that it was a settled fact. It was said that it was to give some impetus to the Mussalmans of Eastern Bengal to take advantage of the progress of time, and of course what did we find? Nationalists, headed then by the late Surendra Nath Banerjee and others of his kind, thought that, if there was to be a province there on that side, the Mussalmans would be predominating there and that must be annulled. Agitation went on, and at the end of 1911, Government yielded to the so-called clamourings, and what was a settled fact was absolutely done away in half a second's time what is the moral that we see? The policy of Government to please the majority forgets the minorities, even though their claims are just and proper. And the idea that was behind the annulment was not realised—Swadeshi and revolution went apace, the remnants of which we see even now. It will be within your recollection, Sir, that in the year 1922 a committee of this House was appointed, with an official majority, to make inquiries with regard to the grant of reforms to the Frontier Province. It is more than ten years now and it has been agitated on the floor of this House 101 times. Being subject to the clamourings of the majority, Government have not the courage to grant reforms to the people of the Frontier who have stood by them in season and out of season. So in this view of the matter, in the weak-kneed way in which they are behaving, perhaps they do not deserve any sympathy. But as a believer in constitutional evolution, I still feel that British statesmanship is not bankrupt. Still they will be able to find out some solution by which our demands, and demands for which Mr. Kelkar and his friends are clamouring, will be met in a suitable way. Mr. Kelkar has taken great trouble to show to this House that the reforms granted in 1919 are a sort of eye-wash. I feel most humbly that I do not agree with him. My idea is this, that if the Montague-Chelmsford scheme were given a full trial, at least 40 to 50 per cent. of the training would have been absolutely at their disposal. You know that, in the provinces, the nation-building departments are in charge of Indian Ministers. Not knowing how to manage their own affairs, perhaps some of the people of my province have, in season and out of season, been trying to oust the Ministry and what is the result? The net result, in my judgment, is that they have absolutely mis-spent the ten years which were given to them as a trial to learn how to dabble in provincial autonomy.

Mr. B. Das: Did you read the Muddiman Committee Report?

Mr. Anwar-ul-Azim: Yes, I had the pleasure of reading it, Sir, now, one might feel that perhaps, on this 7th day of March, 1930, if this motion is passed by the majority of this House, it may have some effect on the Cabinet at Home. But it seems to me, Sir, that the passing of this Resolution by an overwhelming majority will not save the situation, nor will it mend matters, because, unless Mr. Kelkar and his protagonists can take the courage of their conviction and tell the minorities of this country that they will not be hard on the minorities and their aspirations, there is no use, there is no likelihood of attaining the Dominion Status which they so much covet. There is one other matter not very much detached from this motion. It is this. I had the privilege of pressing on the Government Benches a question with regard to the division of the people in this country into majority and minority. I have put interpellations, but Government have absolutely up to now not been able to give any satisfactory reply. If they are so much afraid of being called just, I am sure, Sir, Legislative Councils will not help them. What is the position there? Government make an artificial division for the purposes of representation in the services. Almost all departments of Government both in the provinces and in the centre are manned by one kind of people. This Assembly passed a Resolution in 1923, not to allow any one class of people preponderating in any one office. Do Government pay any heed to those wishes of the Assembly? Why not? Because they are afraid of being called just and impartial. If this fear is allowed to continue I am afraid even their most loyal friends will think a hundred times before they come into this House and bring them off victorious at critical times.

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 in the Chair.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I do not know whether Honourable Members opposite realise how anxiously the Members of the Executive Council await this annual motion; puzzling their brains to think for what particular reason they are to be debarred from travelling during the coming year. I did not expect that it would fall to my lot to speak in the course of this debate; but in view of what fell from my Honourable friend, Sir Purshotamdas Thakurdas, it seemed necessary that I should intervene. My Honourable friend based his plea that the House should support the motion moved by Mr. Kelkar on the ground that the administration of the Commerce and Finance Departments, but mainly the Commerce Department, was such that it ought forthwith to be entrusted to persons responsible to the Legislature. It is obvious that the question whether such a change would be in the interests of India is not one which can be settled on the floor of this House. It is reserved for consideration elsewhere, and by an even more weighty assembly, namely, the Conference which His Majesty's Government will assemble in London. But naturally this House desires from year to year to express its views on the question, and owing to the

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limits of the constitution, it has felt compelled to put its views in the paradoxical form that, if the Executive Council is to be irresponsible, it must also be stationary. The gravamen of my Honourable friend Sir Purshotamdas Thakurdas' charge was, I think, this, that the policy of the Commerce Department was not such as would be the policy of Ministers responsible to this House, that we had not got on nearly so fast with such policy as we had as a Minister responsible to this House would be compelled to do, that we pay inadequate regard to the interests of India and are tempted to act under other influences, and finally that a Minister responsible to this House would adopt the line of policy recently declared by Mr. Stanley Baldwin, namely, that, when tariff changes are to be made, they ought not to be the subject of prolonged and exhaustive inquiry, but that the Government of the day should decide as rapidly as possible and then introduce the necessary legislation.

I shall have something to say, Mr. President, on all of these points. But let me deal first with one particular and rather minor matter on which the Honourable Member spoke with feeling—I mean the delay in the publication of the Tariff Board's Report about the chemical industry. Now, in these matters I always try to deal frankly with this House, and I admit at once that I cannot hold myself free from blame for the delay in publication and I regret it very much. I cannot at this stage give further explanations beyond saying this, that the Report raises somewhat difficult and complicated issues, different in kind, I think, from any that have arisen on previous reports of the Tariff Board. All I would ask the House to remember is the paucity of the staff at headquarters with which the work has to be carried on. In the Commerce Department, we are feeling from week to week the increasing pressure of work of all kinds, particularly the work which we have recently taken over in the Mercantile Marine Department. That process will go on because this House has passed a Bill which will involve a certain amount of work in connection with inland steam vessels—Mr. Neogy's Bill—and another Bill about merchandise marks, which will mean additional work in the Commerce Department; and there are other matters constantly pressing for attention. I do not hesitate to say that if a Minister responsible to this House were put in charge of the Commerce Department and were to be as immediately responsive to the wishes of the House, as my Honourable friend contemplates, he would certainly have to double the staff of the Commerce Department, for otherwise the thing could not be done. As regards dilatoriness in connection with Tariff Board inquiries, I cannot in general plead guilty. My Honourable friend said that it had taken us three years to make up our minds about the Report of the Tariff Board over which my Honourable friend, Sir Frank Noyce, presided on the cotton mill industry. But surely that statement must have been made under some misapprehension, for the decision of the Government of India on that Report was announced in May 1927. The recommendation of the Tariff Board was not a unanimous recommendation, but both sections of the Board made recommendations for temporary protection, and both on the same ground, namely, unfair competition from Japan. In the proposals which the Government of India have laid before the House this Session, the question of unfair competition from Japan does not arise. The Government of India are satisfied that, with the change in the labour laws in Japan, which took effect from the 1st of July last, no question of unfair

competition can be raised. Therefore the Bill which I introduced in this House about a week ago does not directly arise out of the Tariff Board Report at all; it has been arrived at on different grounds. Also, when the charge of dilatoriness in connection with the Tariff Board is brought against me, I cannot help recalling the days when I was President of that body; we were writing our first Steel Report, and one particular occasion is very fresh in my memory when, in the hope that the Government of India might find it possible to pass orders during the Session, I wrote continuously from 11-30 one forenoon till 8-15 on the following evening, and despatched the Report to the Government of India by the Punjab Mail. I am not altogether ashamed of my record in that connection. But of course I recognise this is not a personal question. My Honourable friend made that perfectly clear, and there was not a word in his speech to which, on personal grounds, I could take the smallest exception.

But let me pass to the question of the policy of the Government of India. It is said that it is not a policy which would commend itself to a House popularly elected throughout, and not containing an element of nominated Members. My friend is very likely right, and it is very natural that he and those who agree with him should strive to bring about, at as early a date as possible, a change in the constitution which would enable them to give effect to their views in important matters of public policy. But as things are at present, the policy of discriminating protection recommended by the Fiscal Commission is that which the Government of India have deliberately adopted, and which has received the approval of this House. Therefore, in giving effect to that policy in accordance with the expressed wishes of the House, I do think that the Government of India can rightly be censured. Apart from that, I regret a little that my Honourable friend expressed the view towards the end of his speech that the interest in which we were acting was merely this, that the sale of British goods in India might be as large as possible, because I think that words of that kind make insufficient allowance for honest differences of opinion, and it is, to my mind, always a mistake to impute motives unless you have to. Here again I should like to say that the accusation leaves me quite unharmed. After all, as President of the Tariff Board I recommended the measure which became the Steel Industry (Protection) Act of 1924, and that act imposed the protective duties on goods from all countries alike. But my Honourable friend will say that in the Steel Bill of 1927 a different course was adopted, the duties on goods of British manufacture being in some cases less than on goods made in other countries. That is quite true, but so far as I am concerned, I had no responsibility for that measure, because the decision had been taken before my return to India, and the Bill was passed when Sir Charles Innes held the Commerce portfolio. I do not know whether anything that I could say would convince the House in this matter, but in the case of those of us who have been the servants of India for long time,—in my case I have just completed my 30th year of service,—I wonder if Members realise how intimate the bond becomes, and how bound we feel to do our best for India—our best according to our own judgment, for we cannot pass on the responsibility to any one else—but the very best that we can in the interests of India. So much, Sir, I must say. I do not believe I could carry further conviction by multiplying words, and having said so much, let me say this, that I recognise that, when a charge of that kind is made from the other side of the House, what is meant is not that we consciously direct our policy in interests other than India's but that, acting under

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some sub-conscious bias, we may do so. The reply to that might be more difficult, but there again I would ask Honourable Members on the other side to realise the intimate tie that grows up out of long periods of service. Some here may remember Dean Ramsay's story about the old Scotch servant who had been with his master for 40 years, and when at last he was getting old and difficult, the master wanted him to go. The servant refused to go and clinched the matter by saying, "If you don't know when you have got a good servant, I know when I have got a good master". That, Sir, is the reply of the Government Benches.

Now, my Honourable friend quoted what Mr. Baldwin said recently. I do not know whether it is fair to speculate, but apparently the statement was made after the application of a certain amount of pressure from manufacturing interests, and the view he expressed was that there ought not to be these prolonged exhaustive and exhausting inquiries before protection was given. A great deal depends, of course, on your underlying policy. Is it out and out protection?

Sir Purshotamdas Thakurdas: That is it.

The Honourable Sir George Rainy: Of course, if that is the view, if the view is that protection always does good and never does harm, then I quite agree that, the major premises having been granted, it is rather a waste of time to make these prolonged inquiries. But that is not the policy of the Government of India at present. My Honourable friend is quite entitled to say that it ought to be the policy of the Government of India, but still it is not. Speaking from my own experience, however, on the Tariff Board, I think these inquiries serve a most useful purpose, both in clearing the public mind on the issues to be settled, and sometimes, I have had reason to believe in clearing the minds of those who had made the application. I have seldom finished a Tariff Board inquiry without suspecting that in certain points I knew rather more about the industry than the original applicants knew about it in the beginning.

Then my Honourable friend referred to one or two other matters. He read out to us a telegram which he had received from Bombay. Now, knowing my Honourable friend as I do, it is quite certain that he would not have read that telegram to the House unless, as he said, he was prepared to take full responsibility for it . . .

Sir Purshotamdas Thakurdas: I would recommend to the Government of India also to accept it as reliable.

The Honourable Sir George Rainy: And any information that my Honourable friend and others may give us on that matter will of course be valuable to us. But as regards the action of the Japanese Government which he held up as worthy of imitation by the Indian Government, I am not quite sure that I agree with him. What he said was that the Japanese Government,—I hope I am quoting him correctly,—were prepared to bear the cost of any additional protective duty that might be imposed. I presume there must be some limitation on the period, because it is hardly possible that any Government could off-hand incur a liability of that kind indefinitely. Therefore it may be merely this, assuming the facts to be as stated, that until the goods for which bargains have already been made are put on the market, they will undertake this liability. I do not know. But essentially what is said to have been done is in the nature of an export

bounty. An export bounty is a double edged weapon, and it is apt to recoil on the country that uses it. These bounties are also weapons that can be turned back comparatively easily, because if a country decides to give an export bounty on its goods, the invariable and inevitable reply of other countries is to impose countervailing duties. Before accepting the statement that the Japanese Government propose to take action of that kind, I think one would naturally wait until their intentions had been fully declared.

Finally, Mr. President, my Honourable friend spoke of the delay in the appointment of Trade Commissioners. That is a matter which has given us a good deal of anxious thought, and I am glad to think that we shall be able to get a start in that matter at a very early date. But I am not prepared to say that it was a matter which we ought to have taken up hastily, especially during years when my Honourable friend the Finance Member naturally and properly is entitled to demand that proposals for expenditure placed before him shall be fully justified, and in particular that proposals for new schemes should not come up in the middle of the year but should be reserved for the budget season, when all schemes can be considered together on their merits, and those which are considered the most urgent should receive an allotment of funds.

I have endeavoured, Mr. President, to reply as fully as I can to what fell from my Honourable friend. We on this side recognised fully how natural it is that Members on the other side should look forward eagerly to the time when some of them will fill our places on this Bench. May I say that sometimes, when our labours are excessively severe, it is almost a sympathetic wish that goes back from this side of the House, because a place on this Bench, honourable though it is, is not always a place of ease.

Mr. Arthur Moore (Bengal: European): Sir, I am sorry to say that on this question I find myself in agreement with Mr. Kelkar in criticising the Government for their irresponsibility. I know, Sir, constitutionally they are not removable by a vote of this House. As far as I know, they have never disclaimed a sense of moral responsibility to this House. They have never hitherto ignored the view that they are to a large extent trustees for the growth of Parliamentary institutions in this country. Now, Sir, I would like to call attention to a dereliction of duty in that regard. You, Sir, on January 21, made to us a most important and considered statement in which you very fully and frankly reminded us of your sympathies and of your former connection with the Congress Party . . . .

Mr. President: Order, order. The Honourable Member will not be entitled, on this cut, to discuss a particular statement made by the President.

Mr. Arthur Moore: I bow to your ruling, Sir. I do not wish to discuss the statement itself. I was merely proposing to discuss the attitude of the Government in that regard . . . .

Mr. President: Order, order. The Honourable Member has already made one insinuation. I will not allow him to proceed further in connection with that statement.

Mr. Arthur Moore: That statement has not been mentioned on any previous occasion, Sir.

Rai Bahadur S. C. Dutta (Surma Valley *cum* Shillong: Non Muhammadan): Sir, the subject of this debate I took to be the irresponsibility of

[Rai Bahadur S. C. Dutta.]

the Executive Council. This irresponsibility of the Executive Council is something quite different from the failure of the Executive Council. The failure of the executive may arise out of its irresponsibility, or there may be other causes. When this debate was first announced, I wondered whether there would be any real debate on this issue, because we all know that the executive is irresponsible. The only question is how and when this irresponsibility is going to be removed. I thought we would have a discussion on that. But instead of that, I have listened first of all to a dissertation by the Mover as to the elementary principles of responsible government. Perhaps this was necessary, because we have no responsible government here. Then we listened to something about military expenditure, and then we drifted to protection, and then to the Tariff Board. I do not see how the real point in issue has been debated here. We know the executive is irresponsible. We know its evils. We know we have been promised that this irresponsibility will be removed by the British Government in their own good. There remains the question of how and when. Well, Sir, of course I knew that the Government would be safely entrenched behind the declaration made by the Viceroy, and would say that they cannot add anything to it, but there is no restraint upon the other parties here, the European Group and others, to discuss the new policy as to these matters. There are many matters of details as to safeguards for minorities and others. What is it that stands in the way of the immediate grant of responsible government? I wish I had the power of language to emphasize the fact that the matter brooks of no delay. The educated people are impatient. The masses are restless. The old men are impatient and despairing. The young are impatient and demonstrative. Some of them are reckless and on the verge of rebellion. Well, Sir, the women of India are more impatient than the men. If the fathers of the family are cautious, the mothers are on the side of the sons who are going forward. Some of us feel that there are various difficulties in the way of the achievement of immediate responsible government or Dominion Status. But that is no reason why there should be any long delay. Then there are the questions of the minorities and of various safeguards. There is however no inherent difficulty in the settlement of these matters. Once these matters are settled, I see no reason why there should be any further delay.

3 P.M.

Then, also, there is the question of the Indian States. The immediate grant of responsible government or Dominion Status in British India may embitter the present relations between the Indian States and the Government of India. The Princes may think that, in that case, they will be under the subordination of the people of British India. That may be a reason for delaying the grant of Dominion Status for, say, another five years or so. But, then, we can bring these Indian States into line with British India, and have a sort of federal system, where there will be no question of inferiority. But, Sir, if, even within a limited time, the Indian States cannot be persuaded to join the British Government in the attainment of Dominion Status, there is no reason why, on that account, the people of British India should be deprived of their rights. Even on this score I maintain there should be no long delay in the grant of responsible government to the people of this country.

Then take the question of Defence. We admit that the nation is not in a position to maintain the defence of the country without the aid of the British. It is often asked by Britishers, "How will you defend yourselves if we go away?" But how does the question of your going away come in at all? We are not asking the British to go away. Supposing we were granted Dominion Status and we found that we could not defend our country well without the help of the British Army, then what stands in the way of the British Army remaining here? Nobody asks them to go away. They may say, "We will defend your country, even after responsible government is granted to you, but then we want a price for it". This price they want in the shape of the restriction of our liberties. If that is the position, namely, that because India is not prepared to defend herself, because the people of India find themselves unarmed and therefore the British are not willing to surrender their domination over us, then let us understand it clearly.

Then, Sir, there are other difficulties ahead of us which come from the opposition of Englishmen here or in England with whom the cry of "not yet" means never. There is the spectre of young master Steel-frame, younger brother to Mademoiselle Fur-coat. There is the new United Empire Party, with a cry of free trade within the Empire. They do not want to surrender India in any case. Sir, this policy of no surrender, and free trade within the Empire, if insisted on, would mean the slavery of India. I submit there can be no difficulty as to what the verdict of patriotic India will be in these circumstances. There are dangers ahead of us, but we should not forget that the real danger comes from those enemies of progress in India who are in England. The position of the moderates in this country is quite clear. They must side with the other parties, so far as this question of constitutional advance is concerned. It would be a mistake to suppose that the moderates in India will exhaust their energies in order to fight the party of violence or the Independence wallahs. We all know there is violence in the country. But if the Honourable Members, who are for constitutional progress in the country, join hands together, they can keep this movement of violence within control or deprive it of its influence and strength. Even with regard to the civil resisters, the apprehension entertained by the Members of this House is that their actions, too, might lead to violence. If they can keep their movement within control, we may leave them alone to follow their path of self-chosen peril. As I said, the feeling of the patriotic Indians is not to quarrel with any of these movements, although the danger from some of these movements may be real. Our duty should be to leave these movements severely alone and fight against those movements which have been inaugurated in England against the constitutional advance of India.

In conclusion, I may say that such a debate could be initiated on a formal cut. In that case, I would be ready to support the motion. But in the present circumstances, I think, I cannot support the drastic cut that is forced upon the Government, for they would have to carry on only with certification. I, therefore, hope that this motion will not be pressed to a vote.

Mian Mohammad Shah Nawaz (West Central Punjab: Muhammadan): Sir, in the first place, let me congratulate the Honourable Member, Mr. Dutta, the Member for Southern Assam, who has delivered his maiden speech with calm and vigour. It is not the purpose of my speech to discuss in details either the present political situation in this country or the immediate form of government to be put into force in India. That problem will be thoroughly discussed and considered by the representatives of India and of Great Britain in a Round Table Conference, which it is the duty of

[Mian Mohammad Shah Nawaz.]

everybody to make it a success, and I do hope that all concerned will come to the greatest measure of agreement. What is at present required, pending the legislative and constitutional changes, is a new and wider outlook on the part of the officials and the Members of the Executive Council of the Government of India towards India, its people and their aspirations. The only question which an Englishman and a Member of the Executive Council should ask to himself whenever he is adopting a particular course of action, is, is it for India's good, is it for India's benefit? I venture to submit, Sir, that judged by that standard, the officials have failed in their duty. Whenever there is a conflict of interest between Great Britain and India, they look to the interests of Great Britain as a rule. (Hear, hear.) I do not say that there is not an increasing number of Englishmen who do sympathize with the legitimate desires and aspirations of the Indian people, and who see the point of view of the Indian people, but I do submit that there are officials in the country—and there are quite a large number of them—who think that, in their relations with India, force is the ultimate arbiter and that consequently they can impose their will in the last resort. Well, Sir, it would be infinitely better if they were to realise that the British connection, whether it is in the form of immediate Dominion Status or in any other form, should always rest on the goodwill of the people and not on force. (Hear, hear.)

The great Army that is occupying this country is certainly necessary. But one of the objects of that Army is to keep down the Indians to a great extent. I have already said—and I repeat it again—that in the matter of the Indianization of the Army, delay has given rise to bitter unbelief, and it is time that the recommendations of the Sandhurst Committee were accepted *in toto*. There are certain European officials in this country, and there are quite a number of Englishmen in England, who think that a large measure of reforms will jeopardise their trade, worth many millions. But these gentlemen forget the simple fact that, with a view to retard the progress of the reforms and the legitimate aspirations of the Indian people, they are advocating that decline of British trade in India which they most fear. Great Britain's attitude towards India should not be measured in pounds, shillings and pence. I say, Sir, that the British people should realise that India has begun to move that the teeming millions of Indian people have begun to move in right earnest, and they cannot be checked without disaster.

Apart from other important problems, one of the major problems of the day is the unemployment of the youth of this country. Youth is bitter, youth is disappointed, youth wants to upset the old institutions, youth is against old methods of agitation and they really do not care for this form of government or that form of government. What youth wants at present is bread. It is not a matter on which Government can fold their hands and sit back and let things drift. This problem should be dealt with vigour and intelligence by the Government of India. The only way to deal with this is by promoting the rapid growth of the industries and by agricultural development.

Again, Sir, I have a little complaint against the Government as regards my own community, the Muslim community, which forms the major minority community in this country. Since the time I have come to this Assembly, I feel that the rights and interests of the Muslims, particularly in the services, have been disregarded. I see that a larger number of posts

of *chaprasis* and posts of some petty officers are meant for people of my community. I have a great complaint on that point, and I say that the Government should see that the Muslim community is properly and adequately represented in the superior services. Sir, I am not in favour of the cut proposed by my Honourable friend, Mr. Kelkar, for the simple reason that the present system of government is likely to be changed soon. We cannot ask the Members of the Executive Council to go away or not to travel. The Executive Council is admittedly not responsible to the Legislature. But that problem, as I say, will be thrashed out in the deliberations of the Round Table Conference, which should be convened soon. Is it worth while to move such a drastic cut in the Demand for the Executive Council? It is not a token cut. It is a cut which would reduce the entire votable demand to one rupee. In my opinion the Hindus and Muslims should settle their differences before they participate in the deliberations of the Round Table Conference and there they should put forward a united demand of the Indian people. The present cut is, in my opinion, unnecessary.

Mr. Abdul Haye (East Punjab: Muhammadan): It is with a heavy heart that I rise this afternoon to make a few observations, for I am a man of few words. I may make it clear at the outset that I whole-heartedly support the motion which has been moved by my Honourable friend, Mr. Kelkar. (Hear, hear.) The motion has raised a constitutional issue, and the issue is that this Government is an irresponsible government, and that the executive is not responsible to the people of this country, that the executive is not responsible to this House. This is the clear cut issue and I do not see any point in dragging on this debate and going on making speeches over it. I want to ask, Sir, on this issue, what is the position of the Government? Do they join issue with us? Do they mean to say that they are responsible to the people of India? Why do not they acknowledge that this House has a just grievance on this issue? In good grace, I say to the Treasury Benches, you should rise, if you please, in a body and plead guilty. Sir, I have great sympathy with the sentiments that have been expressed by the two Honourable Members who sit on my left. Both of them, the Honourable Mr. Shah Nawaz and the Honourable Mr. Anwar-ul-Azim, advocated the cause of the minority communities. Sir, I yield to none in this House with regard to this matter. On proper occasions, I have advocated the cause of my community, but I do not see any point in harping on the same tune, in season and out of season. May I ask my friend, Mr. Anwar-ul-Azim, what his position is? With great patience I heard his illuminating discourse, but he did not make it clear whether he was for this motion or opposed to it. Sir, when he began to charge my Honourable friend, Mr. Kelkar, with not having done justice to the minority communities, and when he waxed eloquent on that, I rubbed my eyes. I thought that those efforts that are being made outside this House had succeeded, and that Swaraj had been established, and my Honourable friend, Mr. Kelkar, was carrying on the Government of this country, and I thought my Honourable friend, Mr. Anwar-ul-Azim, was justified in making the attack on behalf of the minority community. But, Sir, may I ask him, if the majority community have not done their duty, if they have not risen equal to the occasion, is that a ground for you to stand aside and support this Government? If no justice has been done to the Mussalmans by the

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Hindus, I ask, what have the Government done? Why should you support them? Sir, I will make it abundantly clear on behalf of my friends that we have got genuine grievances against the majority community, but at this moment, when serious and honest efforts are being made to bridge that gulf in another place by our esteemed countrymen who have the good of the country at heart, it would have been better if he had exercised discretion and not given expression to these sentiments, which in these circumstances can do us no good.

Sir, in supporting this motion, I wish to make one more observation. There are certain countrymen of ours who have adopted a certain course of action. Reference has been made to that course of action on many an occasion in this House. We do not see eye to eye with them; they have declared Independence; they are on the war path; they are in for civil disobedience. I ask the Treasury Benches, is the fault entirely theirs, or have they got a share in this matter? Have they not by their conduct driven them to that course of action? Sir, we who do not see eye to eye with them have at the same time a soft corner in our hearts for those who lead that struggle. There is not one Indian in this House who would not rise and take off his hat and salute Mahatma Gandhi; there is not one Indian who will not salute Pandit Jawaharlal Nehru; there is not one Indian who would not salute Sardar Vallabhbhai Patel. We believe that they have taken a leap in the dark, but we believe that they are honest persons; they are superior persons than we are, who stand aside and stay our hands. They have taken a leap in the dark, but we, who sit behind, and do not join this *jehad*, we are also surrounded by darkness on either side, and we in vain ask for light. For my part, I assure you, Sir, that, although I have abstained from joining them for the present, for I believe they have taken a leap in the dark, and I do not see eye to eye with them, still in this confusion and darkness around me, I am sometimes overwhelmed with grief, and a suspicion comes into my mind, and I say to myself, perhaps it may be that I and my friends here are in the wrong and they are in the right.

The Honourable Sir James Crerar (Home Member): Sir, the debate has been already somewhat prolonged and I do not propose to trespass long upon the indulgence of the House. I am inclined to share the sentiments of my Honourable colleague, the Member for Commerce and Railways, when he said that the annual debate which takes place upon this Demand always leaves the Members of Government a very wide field of speculation as to the precise case which they shall be called upon to meet. A large part of the debate in the course of the morning dealt with topics of which I cannot claim any expert knowledge. They have been replied to by my Honourable colleague in a manner which I hope went very far, if not to satisfy the views of Honourable Members opposite, at least to convince them that, in that sphere of Government, there was no lack of sincerity, goodwill and a true regard for the interests of India.

Turning now to that part of the discussion with which I am more particularly concerned, I have a very few words to say with regard to the constitutional issues raised by the Honourable the Mover. I shall confine myself to the precise issue raised by this motion and the argument which he and those who entered upon the same ground employed in the course

of the debate. The Honourable Member argued that the Government of India was an irresponsible body, irresponsible in the constitutional sense, irresponsible in the sense that it is not removeable by the vote of the Legislature. He complained that the scheme of reforms introduced by the Government of India Act was inadequate and that it did not give effect to the democratic principle of responsibility. Now, Sir, with one important qualification, I have no very great quarrel with the Honourable Member's statement of the position. From the constitutional point of view, it is true that the Government of India are not responsible to the Legislature in the sense in which that term is commonly accepted; but I do not accept the other possible interpretation that might be placed upon the Honourable gentleman's motion, namely, that the Government of India are in every sense irresponsible. Moreover, I think one important qualification has to be made with regard to the Honourable Member's complaint against the institution of the reforms in 1920, namely, that it did not contain an element of responsibility, the important qualification surely being the measure of responsible government which at that time was undoubtedly introduced in the Provincial Governments. Many doubts have been expressed with regard to that system; many criticisms have been made on it. Nevertheless, I think that, looking over the events of the last ten years, a candid judge would be compelled to admit that, at any rate during that period, the administration of many important functions of Government, was carried on in times of great difficulty, in times of great stress, under many handicaps and disadvantages; but they were carried on, on the upshot, to the benefit of the people of India. The most important inference which I personally draw from the Honourable Member's speech is that he himself, on behalf of those for whom he speaks, accepts in principle the British doctrinaire tradition of constitutional government. On that I am glad to be on common ground with the Honourable Member. He does not, I gather, complain of the direction towards which the political affairs of this country have been set. He complains rather of the pace. Well, Sir, important developments in the direction of progress have taken place in very recent times. Important developments are in progress, and though I cannot presume to prophesy or pronounce upon the precise steps which will be taken to promote the further advancement of India's political future, I have no doubt myself that they will be in full accordance with the pronouncement of 1917. I trust that the results of the Conference shortly to take place in London will be to effect what His Excellency, in his address to this House recently, said, namely, the elucidation and harmony of views. What share, the Honourable Member implicitly asks, what share have the Government to take in that task? I should reply briefly in two sentences. In my view, they have got two imperative duties to discharge, and it is their fullest intention to discharge them. The first is to adhere loyally in spirit and in letter to the declaration to which I have referred; and the second is to maintain, by every means at their command, all those conditions, including the maintenance of peace and order, which are necessary for the development and the fruition of that policy.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, I have been greatly disappointed to hear the speech of the Honourable the Home Member. I thought that in view of the situation he would be able to make a more sympathetic response to the

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motion that is before the House. That motion, Sir, is not one which concerns the personality of any Member of the Government. It concerns the system, and it is not sufficient to say that constitutional changes are under consideration and will take place in their time. The object of this motion is to record a very solemn and emphatic protest on behalf of the representatives of the people against the continuance of the present system of Government. That protest is repeated year after year in order that there should be no doubt left in the mind of any one here or in England that the people of India do not feel satisfied with the continuation of the present system. Therefore, apart from every other consideration, those who are not satisfied with the existing system, those who desire that there should be responsibility introduced in the Government of India, must consider it their duty to the country to record such a protest. No other question need be mixed up with it. The views expressed by individual Members, either in supporting the motion or in opposing it, are individual views. The point before the House is that the representatives of the people record their continuing protest against the irresponsible character of the present constitution. And, Sir, though there was some confusion introduced by some speakers on this question, I think, it was made sufficiently clear in all the speeches that the people are not satisfied with the existing system of the Government of India. The Executive Government of India is not responsible to the elected representatives of the people, and my Honourable friend, Mr. Abdul Haye, put the point very tersely when he asked the Government Benches whether they could say that the Executive Government of this country was responsible to the people. He gave an opportunity to the Members of Government to answer that, to acknowledge that the objection of the Non-Official Members was justifiable and unanswerable. The Government of India must admit—they cannot but admit—that they are not responsible to the representatives of the people in this House, and if that is the position, how can they oppose a Resolution like this? With what reason can they urge that such a cut should not be made? Therefore, Sir, when the Honourable the Home Member rose to speak, I expected that he would not only admit the correctness of our position, but also that he would try to show that if the Government of India were not by statute responsible to the representatives of the people of this country, they felt that they were morally responsible to them, and, that at any rate they were responsive to the wishes and sentiments of the people. I am sorry that the Honourable the Home Member has not given the slightest indication of such an attitude.

The Honourable the Home Member has referred to the declaration of 1917. He has said that the Government of India adhered loyally in spirit and letter to the declaration of 1917. Does the Honourable Member realise what picture that brings up to the minds of Members on this side? It brings up the idea that the British Government still adhere to the view that they alone are to be the arbiters of the question of what progress shall be made, towards responsible government in India, in what time it shall be made, and by what stages it shall be made. Is not the Honourable the Home Member aware that that claim has been repudiated, protested against, times out of number? Does he not know that there is not a single self-respecting Indian living today who would be content to leave the decision of this question which so deeply affects our national honour and our most vital national interests to be determined by the British Government alone? Is not the Honourable Member aware of the boycott of the Simon Commission? Did not the people of this country, of all parties, declare to the

world that they strongly resented the implications of that declaration of 1917? How does he advance the position of the Government? How does he bring himself nearer to the representatives of the people by merely repeating that the Government adhere loyally in spirit and letter to that declaration? He has said that there are two clear duties which the Government have to perform, one, to adhere to that declaration, and the second to maintain peace and order by every means at their command. Every school boy knows that the Government have to, that it is their duty to maintain peace and order. But I did not see any indication in the speech of my Honourable friend that that peace and order was to be maintained in a spirit of statesmanship, in a spirit of large-minded sympathy with the legitimate aspirations of those over whom they happen to hold sway. It sounded to me as if the Honourable the Home Member wanted to tell the world that the Government were going to maintain law and order, come what may, regardless of all other considerations. I am sorry, Sir, to think that this is not the attitude which will bring the Government into harmony with the people of this country. I want the Government of India to realise that they have at this juncture a greater duty to perform than the mere maintenance of law and order. I quite recognise that the existing Government of India cannot ask that the constitution should be changed at their will. But is it not their duty to bring to the notice of Parliament the feeling that exists in this country, the feeling that has existed in this country, for a long time past, and to represent that feeling in a faithful and friendly spirit to Parliament? When the Congress and all political parties declared the boycott of the Simon Commission, did not that fact give the Government of India sufficient justification for asking Parliament to scrap that Commission, and to declare that the question of the next revision of the statute would be discussed with the representatives of the people of India and His Majesty's Government or with the representatives of the British Parliament? After the boycott had been shown to be complete, did the Government of India represent through the proper channel to the Simon Commission that, in the circumstances of the situation, it was its duty to submit its Report as early as might be possible? The Indian Central Committee was appointed, and it submitted its Report in October last. Has the Simon Commission submitted its Report even now? It has not. Did not the Government of India know that the Congress, which is the largest political body in the country, declared at Calcutta in December, 1928, that it would wait for one year for Dominion Status to be conceded; and that, if it was not agreed upon within one year, it would declare for Independence? Was that a matter to be slightly passed over by the Government of India? Was it not their duty to take serious note of the declaration of the Congress, which is the chief political organisation of this country, with a membership of about five lakhs or more? Was it not the duty of the Government of India, who are on the spot, the servants of the Indian people and of the British Parliament, was it not their duty to communicate with the British Government and to say, "This looks serious, you must ask the Simon Commission to report early", and was it not the duty of the Government of India to ask Parliament to arrange that there should be a conference at an early date in order that matters in question might be discussed in a friendly spirit, while yet the greatest political organisation in the country was still standing clearly for the establishment of Dominion Status? The Government of India could not pretend to be surprised to find that the Congress, that a large section of the Congress, declared themselves for complete Independence. The Government of India are largely responsible for this attitude which the Congress has taken. They did not do their duty by the people of this

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country of informing Parliament of the need for timely action, for expeditious action, to bring about a conference and a solution of our great problem. Everyone knows that the announcement made by His Excellency the Viceroy was welcomed in all parts of the country. Leaders of all parties, including Mahatma Gandhi, the greatest Indian living today, welcomed it though he and many others of us put forward certain conditions in the manifesto which we published in reply to it, even then did the Government of India see the necessity of communicating to the Government in England that the Report of the Simon Commission should be expedited, and that the date of the Conference that was proposed should be fixed early, and did they themselves recognise that there should be the spirit of Dominion Status introduced in the administration of this country from the date the announcement was made? That was the most important practical statement contained in that manifesto. It was suggested that the Government should feel and let the people feel that Dominion Status was in action in a truer sense than that in which Mr. Wedgwood Benn mentioned in the House of Commons. Did the Government of India do that? They did not, and when the Congress, even after that, gave a clear indication to the Government that, if Dominion Status was even indirectly assured, there would be no resort to a movement for civil disobedience, even then the Government of India failed to respond to the situation, failed to make the right gesture at the right moment to those who in despair accepted that resolution.

And now, Sir, what is the position? My Honourable friend, the Home Member, says that, "It is the duty of the Government of India to maintain peace and order by every means at their command". There is no man with any sense of humanity in him who would like that peace and order should be lightly disturbed. You have at this moment in this country one of the greatest men born in this world, who is today the greatest apostle of complete non-violence. He has now decided to lead a campaign of non-violent civil disobedience. I do not know—we are not here to discuss—the wisdom or unwisdom of that course. I personally have my differences with Mahatma Gandhi. I differed openly from him at the Congress when he went in for a declaration of Independence. I have stood firmly for Dominion Status, and I stand firmly by it today. But it is the Government who, by their attitude and action are driving more and more important people into the party of Independence. It is not a crime that Indians should strive by peaceful means, for Independence; it is not a sin for any Indian to desire what you Englishmen have desired, what every right-minded people, what every freedom-loving people, have desired, namely, the independence of their own country. We desire that there should be Dominion Status established in our country because we think that it is a more feasible plan by means of which we shall by peaceful means virtually acquire complete Independence. We desire it, we honestly desire it for that reason. But you cannot say that, because you have, by your inaction, by your want of sympathy, by your want of statesmanship, driven some of my people to adopt the resolution of complete Independence, that therefore you will be justified in adopting a policy of repression which your maintaining of peace and order often means, and that you will have finished your duty by maintaining such peace and order. I warn the Government that that is not the correct attitude. What the situation demands is an attitude of statesmanship, of broad sympathy, a broad appreciation of the situation. I ask every Englishman who deserves that name, every Britisher who is a lover of liberty who deserves to be so called, I ask him to put himself into the skin

of us Indians, to feel as we Indians feel, and to ask himself whether, if he had been placed in the condition in which we Indians are, he would not have done everything possible to establish the independence of his own country, and I ask him to look at all such efforts with sympathy, to try to avoid strife, to try to avoid bloodshed, to try to avoid evil passions being excited and the country being made to wade through a bitter strife and struggle. It is given to Englishmen, particularly it is given to the members of the Government of India, to sit down with Indians and to arrive at a policy, a sympathetic broad-minded, statesmanlike policy, whereby the differences between Mahatma Gandhi and the Congress on the one side and the Government on the other should be bridged, as much as possible, and as early as possible. (Hear, hear).

If the Government of India fail to represent to His Majesty's Government the gravity of the situation here, and if the Government of India think that, by merely resorting to severe measures for keeping down every movement which they do not approve, they will have done their duty, they are sadly mistaken. It is a very serious situation in which the country is placed. It is the duty of everyone to try to bring about a better understanding, a more harmonious relation between the people and the Government, a more sympathetic attitude on the part of the Government. It is no good making light of the action of men like Mahatma Gandhi. He has taken that action after a very great deliberation, and it is no good simply sitting quiet and saying "When anything wrong will happen, we shall try by all means at our command to keep law and order". Those who have taken up this agitation are not going to commit any violence so far as they are concerned, and whatever action you take, you have to take only such action as you can justify to the people of India and to people outside in the civilised world. That action cannot be merely such strong action as the Home Member has indicated. The situation demands sympathy, broad statesmanship, harmony, goodwill and a desire to act with goodwill at the earliest possible moment. Nothing is more important at this juncture in India than that the Government of India should apply themselves to a careful and honest study of the situation and to represent to His Majesty's Government that the situation demands that there should be an early date fixed for the Conference and that the British Government should make it known that they agree that Dominion Status shall be established in India at the next revision of the statute. If the Government will do that, I undertake to say that today Mahatma Gandhi will be prepared to accept that arrangement and to cry a halt. If you do not do this, and if you are still going on telling us that you adhere strictly to the letter of the declaration of 1917, it is obvious that you are not realising the gravity of the situation, and most certainly you are not doing your duty by the people of this country. I hope, Sir, it is still possible for the Government to reconsider their position and to acknowledge that the situation demands statesmanship, sympathy, a broad outlook, and a desire to promote harmony between all sections of the people and between the people of India and of England.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): Sir, the motion before the House, as it is worded, is not very clear. It says "irresponsible nature of the Executive Council". I think it is admitted—the Honourable the Home Member admitted it—that constitutionally the Government of India are not responsible to the Legislature. That proposition is admitted; it need not be discussed; it does not require even an

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admission from the Honourable Member. Any one who knows the statute and constitutional law can at once come to the conclusion, and no other conclusion, that the Government of India, as it is at present constituted, is not responsible to the Legislature. The motion as it is worded says "irresponsible nature of the Executive Council". The fact that it is not responsible cannot be denied. I do not know exactly what my Honourable friend, Mr. Kelkar, had in his mind, but I think one can understand, taking it generally,—and as I would like to interpret it—it comes to this, that there has been a great deal said, not only here by some Honourable Members who constitute the Executive Council of the Governor General, but even on the floor of the House of Commons; and the Secretary of State for India made a great deal of this phrase, namely, that, although India has not got Dominion Status and responsible government, nevertheless, in order to impress the people, he said that there was Dominion Status in action. I would like therefore, Sir, to make it clear on the floor of this House to Honourable Members here, and to the world outside, that Dominion Status in action has not been a reality, and I would therefore not like to oppose this motion, as I would like to see Dominion Status in action really. I do not wish to detain this House in making an indictment in detail against the Government; but, Sir, in the last answer which came from the Honourable the Home Member there was surely not one single word which showed, leave alone action, but any spirit, any feeling, any sentiment which gave any indication to this House, that Dominion Status was in action. The Honourable the Home Member referred to the declaration of 1917. May I remind the Honourable the Home Member, and ask him, has he overlooked the latest announcement on behalf of His Majesty's Government? Why did he not refer to that? Why did he not say that, since the declaration of 1917, there has been, with further modification and interpretation, another declaration. Has he forgotten so soon the declaration made by His Excellency the Viceroy on behalf of His Majesty's Government?

Then, Sir, the Honourable the Home Member used a phrase, to which we are often accustomed in this country: Government every now and then say, "It is our duty to maintain law and order". Who says it is not your duty? Why do you keep repeating it? When you go on repeating those words, what does it mean? It conveys to me only one meaning. I would never have taken any notice of it otherwise; but when you repeat every now and then that you mean to maintain law and order and that all the resources of the Government will be utilised for the purpose of maintaining law and order, what does that convey to us? I hope the Honourable the Home Member did not mean by it no Dominion Status in action, but that the Government further mean to resort to ruthless repression in this country. Is that what you mean? (*An Honourable Member*: "What else can it mean?") I would certainly advise the Government as it is our painful duty, sitting on these Benches, merely to advise a Government which constitutionally is irremovable, and irresponsible, to this House and which is by its sentiments and feelings alien and bureaucratic—I say it is our painful duty to advise them from these Benches every now and then and give them a word of warning. I maintain that if you resort to any repressive policy at this moment, you will be committing the greatest blunder. I shall say no more.

There are certain countrymen of ours who have adopted a certain course with which a good many of us not only do not see eye to eye but disapprove of it. I think the Honourable the Home Member knows as well as I do, that any suppression of progressive opinion in any country by means of coercion and repression leads to the destruction of the Government that resorts to those measures; and I think therefore the Government of India—I hope at any rate apart from the question of Diminion Status in action—will not run amok, but will deal with the situation such as it is in a statesmanlike manner.

Sir, I do not wish to keep the House any more, but I think Sir George Rainy put the matter in a nutshell by giving us that little antedote of the Scotch servant. He is quite right. You have found a very good master; a master whom you can rule and do what you like with. (Laughter.) I think, Sir, no servant can be unhappy when he has got such a master; he can help himself to any amount of pay he likes and rule over him; it is a very happy position in which you are, but that is exactly what we object to. You put your hand in our pockets and take as much money as you like, draw as fat salaries as you like, do as you please and do not care a straw as to our interests or what happens to us and we have no say in the matter. That is exactly what we object to; that is the grievance and that is the very reason we do not want those servants who rule, but servants whom we shall be able to rule; that is the whole issue. In other words we want servants whom we can control and who are responsible to us and whom we can dismiss.

Lieut.-Colonel H. A. J. Gidney: A change of masters.

Mr. M. A. Jinnah: A change of servants who are your masters now; we want real servants, and let us be the real masters. That is the position; and, Sir, I cannot understand how any Honourable Member in this House can possibly vote against a proposition of this character. I know my friends of the Central Muslim Party are very keen, very zealous in safeguarding the interests of the community to which I have the honour to belong. (*Sir Zulfiqar Ali Khan*: "Hear, hear.") But I cannot understand how you are going to advance the interests of your community by supporting a wrong thing.

Nawab Sir Sahibzada Abdul Qaiyum (North West Frontier Province: Nominated Non-Official): We want better masters than the present ones. What is the use of change if we do not get better ones.

Mr. M. A. Jinnah: Yes. And let me tell you, Sir, in answer to that, 4 P.M. that seventy millions of Mussalmans should not be afraid of facing the issue squarely and fairly no matter what the Government do and no matter what the Hindus do. (Hear, hear.) You are seventy millions. What is the good of leaning upon the Government? What is the good of your appealing to the Hindus? Do you want concessions? I do not want concessions. (Hear, hear.) What is the good? You are seventy million Mussalmans. Organise yourselves in this country, and you will be a power, and you will be able to dictate not only to the Government, but to the Hindus and to every one else your just rights. Show a manly attitude. Why are you going to support a wrong thing? Support this motion if you think it be a right one. My friend, Mr. Anwar-ul-Azim, said, "Yes, Government are to be

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blamed; but then I do not know whether, if I agree with you and vote with you, I shall incur the displeasure of the Treasury Benches". (Laughter.)

Nawab Sir Sahibzada Abdul Qaiyum: Not quite so.

Mr. M. A. Jinnah: Sir, let the Treasury Benches realise that, whether the Hindus settle with us, or whether they do not, whether they march with us or whether they do not, we mean to march forward, and we want responsible government in this country (Hear, hear), with due provisions for the safeguards for Mussalmans and other minorities.

Mian Mohammad Shah Nawaz: Responsible government is the desire of everybody; but, before you march, let the Hindus and Muslims compose their differences.

Mr. M. A. Jinnah: Then vote for this motion and prove it by your vote.

Mian Mohammad Shah Nawaz: Hindus and Muslims should settle their differences. Put a united demand for Dominion Status before the Round Table Conference and it will be effective.

Mr. M. A. Jinnah: My friend is going much further than I am going. This motion says that we do not approve of the irresponsible nature of the Executive Council. Do you approve of it? You do not. Then why don't you vote for this motion?

Let me explain, Sir, to my friends that this is purely a constitutional issue. That is where my friends do not seem to appreciate the position. This is purely a constitutional issue. We want to record our votes on this constitutional issue, that the present Executive Council is not of a responsible nature; we want to make it clear that Dominion Status is not in action in this country, leave alone the establishment of full Dominion Status and responsible government. That is what we want to make clear . . . . .

Mian Mohammad Shah Nawaz: Then table a proper Resolution.

Mr. M. A. Jinnah: One word more, Sir, and I have finished. I know you are a little impatient. Unless my time is not up, I do not want to take more time. But I have got one more thing to say, and it is this, pending the Round Table Conference, pending the settlement of those great constitutional issues, may I say one word to the Treasury Benches? Will you in the meantime train yourselves up by practising real Dominion Status in action so that when it does come in fact you will not feel the shock which otherwise you will get?

Mr. President: The question is:

"That the Demand under the head 'Executive Council' be reduced to Re. 1."

The Assembly divided:

AYES—39.

Abdul Haye, Mr.
Abdul Matin Chaudhury, Maulvi.
Acharya, Mr. M. K.
Aney, Mr. M. S.
Ayyangar, Mr. K. V. Rangaswami.
Bhargava, Pandit Thakur Das.
Chaman Lall, Diwan.
Chetty, Mr. R. K. Shanmukham.
Das, Mr. B.
Dutt, Mr. Amar Nath.
Ghazanfar Ali Khan, Raja.
Gour, Sir Hari Singh.
Gulab Singh, Sardar.
Haji, Mr. Sarabhai Nemchand.
Hyder, Dr. L. K.
Ismail Khan, Mr. Muhammad.
Iswar Saran, Munshi.
Jayakar, Mr. M. R.
Jehangir, Sir Cowasji.
Jinnah, Mr. M. A.
Kelkar, Mr. N. C.
Kunzru, Pandit Hirday Nath.
Lal, Mr. Hari Prashad.
Lalchand Navalrai, Mr.
Malaviya, Pandit Madan Mohan.
Moonje, Dr. B. S.
Munshi, Mr. Jehangir K.
Pandya, Mr. Vidya Sagar.
Patil, Rao Bahadur B. L.
Purshotamdas Thakurdas, Sir.
Rang Behari Lal, Lala.
Rao, Mr. G. Sarvotham.
Reddi, Mr. T. N Ramakrishna.
Shafee Daoodi, Maulvi Mohammad.
Singh, Kumar Rananjaya.
Singh, Mr. Gaya Prasad.
Sitaramaraju, Mr. B.
Talatuley, Mr. S. D.
Ziauddin Ahmad, Dr.

NOES—50.

Abdul Aziz, Khan Bahadur Mian.
Abdul Qaiyum, Nawab Sir Sahibzada.
Alexander, Mr. W.
Anwar-ul-Azim, Mr.
Banarji, Mr. Rajnarayan.
Baum, Mr. E. F.
Chambers, Mr. G. W.
Chatterjee, The Revd. J. C.
Coatman, Mr. J.
Cocke, Sir Hugh.
Cosgrave, Mr. W. A.
Crerar, The Honourable Sir James.
Crosthwaite, Mr. H. S.
Dalal, Dr. R. D.
Dutta, Rai Bahadur S. C.
Ferrers, Mr. V. M.
French, Mr. J. C.
Gidney, Lieut.-Colonel H. A. J.
Gwynne, Mr. C. W.
Hamilton, Mr. K. L. B.
Hira Singh Brar, Sardar Bahadur, Honorary Captain.
Howell, Mr. E. B.
Jawahar Singh, Sardar Bahadur Sardar.
Kikabhai Premchand, Mr.
Lindsay, Sir Darcy.
Mitra, The Honourable Sir Bhupendra Nath.
Mitter, The Honourable Sir Brojendra.
Monteath, Mr. J.
Moore, Mr. Arthur.
Mukherjee, Rai Bahadur S. C.
Noyce, Sir Frank.
Pai, Mr. A. Upendra.
Parsons, Mr. A. A. L.
Rainy, The Honourable Sir George.
Rajah, Rao Bahadur M. C.
Rau, Mr. H. Shankar.
Roy, Mr. K. C.
Sahi, Mr. Ram Prashad Narayan.
Sams, Mr. H. A.
Sarfaraz Hussain Khan, Khan Bahadur.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Singh, Mr. Adit Prasad.
Singh, Raja Raghunandan Prasad.
Slater, Mr. S. H.
Sykes, Mr. E. F.
Tin Tut, Mr.
Tirloki Nath, Lala.
Yamin Khan, Mr. Muhammad.
Young, Mr. G. M.

The motion was negatived.

Mr. President: The question is:

"That a sum not exceeding Rs. 91,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Executive Council'."

The motion was adopted.

Mr. President: The Central Muslim Party have since given me notice that they propose to raise the question of the reforms for the North-West Frontier Province. Am I right?

Mian Mohammad Shah Nawaz: Yes.

Mr. President: That will be taken up on Tuesday morning from 11 to 1. I have not yet received any notice from the unattached Members. The new Swaraj Party have given me notice that they propose to move the question of the treatment of political prisoners. That will be taken up on Monday morning.

The Assembly then adjourned till Eleven of the Clock on Saturday, the 8th March, 1930.

LEGISLATIVE ASSEMBLY.

Saturday, 8th March, 1930.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

MEMBER SWORN:

Mr. L. V. Heathcote, M.L.A. (Associated Chambers of Commerce: Nominated Non-Official).

SHORT NOTICE QUESTION AND ANSWER.

IMPRISONMENT OF SARDAR VALLABHBHAI PATEL.

Pandit Madan Mohan Malaviya: Will Government be pleased to state under what section or sections Sardar Vallabhbhai Patel has been sentenced?

The Honourable Sir James Crerar: I have not yet received any official information on the subject. I have asked the Government of Bombay to report the facts by telegram.

Pandit Madan Mohan Malaviya: Will the Honourable Member be pleased to convey the information to me when he has received it? I expect he will receive it by tomorrow.

The Honourable Sir James Crerar: I shall be glad to intimate to the Honourable Member when the information which I have asked for has been received.

Pandit Madan Mohan Malaviya: Will the Honourable Member try to obtain it by tomorrow morning?

The Honourable Sir James Crerar: Sir, a telegram is being despatched immediately. I cannot, of course, guarantee when the reply will be received.

Mr. President: I have received notice of a motion for leave for the adjournment of the House to draw the attention to a definite matter of urgent public importance, namely, the imprisonment of Sardar Vallabhbhai Patel from Pandit Madan Mohan Malaviya. In view of the answer just given by the Leader of the House, perhaps the Honourable the Pandit would be well advised to wait till he receives the reply from the Government of Bombay.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): I will, Sir. Thank you.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Will he be in order then?

Mr. President: The Chair will be prepared to waive urgency.

STATEMENT OF BUSINESS.

The Honourable Sir James Crerar (Leader of the House): Sir, I desire, with your permission, to make a statement as to the probable course of business in the week beginning Monday, the 10th March. As Honourable Members are aware, Monday, the 10th, Tuesday, the 11th, and Wednesday, the 12th, have been allotted for the discussion of the Demands for Grants. On Thursday, the 13th, the Government business will include the election of a Member to the Standing Committee for Roads in place of Mr. Ganganand Sinha and the election of Members to the Standing Finance Committee. The Honourable Sir George Rainy will move to take into consideration and, if that motion is accepted, to pass the Bill further to amend the Indian Tariff Act, 1894, and to amend the Indian Tariff (Cotton Yarn Amendment) Act, 1927. Friday, the 14th, and Saturday, the 15th, as Members are aware, are gazetted holidays.

THE GENERAL BUDGET—LIST OF DEMANDS—*contd.*

DEMAND NO. 39—ARMY DEPARTMENT.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to move:

"That a sum not exceeding Rs. 5,47,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Army Department'."

Military Policy of the Government.

Maulvi Abdul Matin Chaudhury (Assam: Muhammadan): Sir, I move that the Demand under the head "Army Department" be reduced to rupee one.

Sir, I move this motion as a protest against the general military policy of the Government, and in particular the policy of not giving effect to the recommendations of the Sandhurst Committee. Though, Sir, there has not been any authoritative official pronouncement to that effect, it is evident that the military policy of the Government is the policy of excluding Indians from the higher ranks of the Army. It is a policy of perpetuating the hegemony of the British officers in the Army. One fact that emerges unmistakeably out of the examination of the military policy of the Government is that the settled policy of the Government is to deny to the Indians the opportunity of higher military training, and make India absolutely dependent upon the British officers, both for internal security and for protection against foreign aggression. We are persuaded to believe that the British officer has undertaken the onerous responsibility, the white man's burden, of guarding the frontiers of India, so that the martial races from the North may not sweep upon the plains of Hindustan, or that the internal peace of the country may not be disturbed by the Mussalmans and the Hindus flying at each others throats. That is what we have been

asked to believe. But the last European war has been responsible for exploding many a myth. It has among other things, exploded the myth of the white man's burden, and it has also exploded the myth of the white man's superiority. It is time that the Government realised that India can no longer be lulled into sleep by these comforting shibboleths. The Indians have been demanding their rights and the opportunity of defending their own country, their own hearths and homes, and wisdom and statesmanship demand that Government should make a ready response to that. But unfortunately there is no sign of any growth of wisdom in the Government. There is no sign of any return to any sane and sound policy. They are moving, Sir, along their traditional lines and this is best illustrated by their attitude with regard to the recommendations of the Indian Sandhurst Committee. In that Committee, distinguished military officers on the one side and eminent Indian politicians on the other came to the unanimous conclusion as to the steps that ought to be taken to Indianise the higher ranks of the Army. The main recommendations of the Sandhurst Committee were the creation of an Indian Sandhurst, forcing the pace of Indianising the Army, so that, by 1952, fifty per cent. of the officers of the Indian Army would be Indianised, and the abandonment of the eight unit scheme. These recommendations, Sir, did not come very much up to the expectation of the country. But they marked a definite advance on the existing position. I am not, Sir, an admirer of this Sandhurst Report. I consider it a halting and cautious compromise. but even that, Sir, the Government is reluctant to accept. Three years ago the Report was published, and there is as yet no indication that the Government accept the policy underlying the Report. The Honourable the Army Secretary told us the other day that a Sandhurst was to be started in 1933 and there was still three years to go.

Pandit Hirday Nath Kunzru (Agra Division: Non-Muhammadan Rural): He never said anything like that.

Maulvi Abdul Matin Chaudhury: He reminded the House that it was to be started in 1933.

Pandit Hirday Nath Kunzru: He did not say it was going to be started in 1933.

Maulvi Abdul Matin Chaudhury: This is what Mr. Young said on the last occasion:

"May I remind the House that an Indian Sandhurst was to be founded in 1933 and there are still three years to go."

That is the sentence used by him.

Mr. M. R. Jayakar (Bombay City: Non-Muhammadan Urban): Did not the Commander-in-Chief refer to this matter in the other House?

Mr. G. M. Young (Army Secretary): What I did say was, "May I remind the House that it was to be founded in 1933 and that there are still three years to go." I did not say that it was the intention of the Government to found it in 1933.

Maulvi Abdul Matin Chaudhury: From this it is evident that the Government say, there are still three years to wait for the Indian Sandhurst to come. So far, in the Budget we find no provision for any preliminary expense for the Indian Sandhurst three years hence. My Honourable friend, Mr. Young, believes in the Bible. According to the Old Testament, when God created the Universe, He said, "Let there be light", and there

[Maulvi Abdul Matin Chaudhury.]

was light, and God said, "it was good". Imitating the Lord Almighty, Mr. Young will say in 1933, "Let there be a Sandhurst" and there will spring up a Sandhurst in the tableland of Dehra Dun and we shall all rejoice and say "It is good". But, Sir, surely Mr. Young does not expect us to be satisfied with this lame assurance of his. The Army Headquarters may congratulate themselves on their effectively shelving the major recommendations of the Sandhurst Committee, but do they realise, Sir, what has been the reaction on the country of this policy of Government? Now-a-days no public meeting is held in any town or village in India but sends up the cry, "Long live Revolution". Do Government realise the significance of this cry? It means that people have lost all faith in the evolutionary process in politics. The conviction is growing upon our countrymen that all the constitutional agitation and all the eloquence of Mr. Jinnah or the sweet reasonableness of Pandit Madan Mohan Malaviya lead the country nowhere. At least, it has led the country nowhere nearer its goal, so far as the military sphere is concerned. Events in India are moving very fast. They are moving with startling rapidity. Three years ago the Sandhurst Report was welcomed as a definite advance, but today, Sir, many representative Indians will hesitate to put their signatures to a document like that. I can tell you, Sir, that five years hence, you will not find a single patriotic Indian who will be left to do it homage. It will be relegated to limbo of obscurity, as an obsolete and antediluvian document. But at this particular juncture, the attitude of Government towards the Sandhurst Report has got an additional significance. His Excellency the Viceroy has announced that the goal of India is the attainment of Dominion Status. Dominion Status, Sir, postulates a Dominion Army. Mr. Young cannot extemporise a band of trained army officers simultaneously with the grant of Dominion Status, and this attitude of Government and their apathy in this matter has made the Indian public sceptical about the Viceregal pronouncement. The House expects from Mr. Young an authoritative pronouncement as to what is going to be the policy of Government in this matter, whether the Government intend to take immediate steps for the starting of the Indian Sandhurst, what steps do the Government intend to take for forcing the pace of Indianising the Army, and what steps do they intend to take with regard to the abandonment of the eight units' scheme? We want a clear, definite statement on these points. We want to know whether the Government will still continue its policy of keeping India under the heels of an army of occupation, or do they contemplate a departure from that policy. That is what we want to know from Mr. Young. Before I sit down, I want to sound a note of warning to the Government Benches. In this country, there is a vast reservoir of energy, pluck initiative and enterprise among the Indian youth. Unless it is harnessed to the military service of the State, unless this is disciplined and brought under control, there is every danger of its seeking an outlet in other directions. Already, Sir, the Indian youth has become a keen student of Irish revolutionary history and Irish revolutionary methods. De Valera and Michael Collins are the ideals of the Indian youths of today. (*Mr. B. Das*: "Hear, hear.") They seek their inspiration from the careers of these Irish patriots and their exploits. Now, Sir, if this revolutionary tendency is to be checked, the best course for the Government is to throw open the higher military career to the educated Indian youth. If they give effect to the recommendations of the Sandhurst Committee, by 1952 half the cadets of the Indian Army will be Indians. But if they do not give effect to that, if they ignore the Report of the Sandhurst Committee, if they do not strengthen the hands of those who stand for gradual, constitutional advance, it is quite likely that, in 1952, the flag that the Indian Army officers will salute may not be the Union Jack, but it will be the Tri-colour flag of an Independent India. (Hear, hear and applause.)

Dr. B. S. Moonje (Nagpur Division: Non-Muhammadan): Sir, I want to make two or three points on this question. My first point is that the Indian Army is too big for the needs of the situation. It might sound a little bit fantastic for me to say in view of the perpetual threat already magnified beyond bounds, from the North Western Frontier, that the present Indian Army is really too big for the needs of the situation. I might go in for a little critical analysis and calculation so that I might try to impress upon the House that it is really too big for the needs of the Indian situation. The Indian Army at the present moment is composed as follows:

(*a*) On the one hand:

Britishers holding King's Commission	7,444
British other ranks	62,069
Total Britishers ..	69,513

(*b*) On the other hand:

Indians with Viceroy's Commissions	4,658
Indian other ranks	1,51,691
Total Indians ..	1,56,349

Such is the Army, as composed at the present moment. Now, one British soldier, as I have said and proved by calculations in one of my budget speeches in this Assembly costs the State five times more than an Indian soldier. Do I mean thereby that the value of a British soldier as expressed in terms of fighting capacity is five times more than the value of an Indian soldier? I will not express my own opinion in the matter, but that is what the British officers allege. Sir Mortimer Durand, who has been memorialised in what is known as the Durand Line says in his diary:

"I confess I always thought 100 British Soldiers were worth five times the number of Asiatics."

If this value be expressed in terms of numbers of Indian sepoys, then 69,513 Britishers multiplied by 5 means 3,47,565 Indian soldiers. This *plus* 1,56,349 actual Indian soldiers means 5,03,914 trained Indian soldiers. So the whole Indian Army at the present moment may be said to be composed of 5,03,914 fighting Indians. But let me be not unfair to Sir Mortimer Durand. He further on says:

"Anything more cool and gentlemanly than a Sikh under fire is not to be found; and at all events, with the cavalry branch, Indians are far more practically useful."

Now, what is the military threat to India? There could be no threat from the seaside, because there is the British Navy, and India forms a bright jewel in the Crown of the British Empire. Therefore, there is not much of a threat worth mentioning from the seaside.

Colonel J. D. Crawford (Bengal: European): What do you pay for this Navy?

Pandit Hirday Nath Kunzru: What do the Dominions pay?

Dr. B. S. Moonje: That is not the point. What we pay for the British Navy is not the question at the present moment. My point is that I want to make out that the present Army is too big for the needs of the present situation in India. The military threat to India therefore is practically nothing from the seaside. Now let us see the land frontier. It is practically nothing from its Eastern frontier. It is practically nothing from its Northern frontier, because there are the invulnerable Himalayas. The only frontier which allows a military threat to India is the North Western frontier from Baluchistan to the Khyber. Now, what are the populations there? My Honourable friend, Mr. Coatman, the Publicity Officer of the Government of India, interrupted me the other day, and I am now quoting from the book which he has presented to Parliament as the Report upon India in the year 1927-28, this being his latest book. About the people inhabiting the hilly country known as the Tribal Territories bordering on our North West Frontier he says:

"They (*i.e.*, these tribes) are believed to number three millions" (*i.e.*, 30 lakhs), "of whom at least half" (15 lakhs) "are males and of the latter, close on three quarters of a million" (about 7 lakhs) "are regarded as adults and fighting men".

Therefore, we have got in all 7 lakhs of men on the North Western frontier who are regarded as a perpetual threat to the British Empire in India. We have therefore to provide against any aggression coming from these 7 lakhs of men only, and these 7 lakhs of men are armed with what weapons? Mr. Coatman says:

"Their armament has vastly increased within the last few years, and as long ago as 1920 there were believed to be not less than 140,000 modern rifles in tribal territory."

Suppose now that their armaments have vastly increased since 1920. In seven years the number of their rifles may have increased by 10, 15 or 20 thousand. That means that, at the most generous calculation, there are now not more than two lakhs of modern rifles there at the present moment. Therefore, the military threat, which is regarded as a perpetual threat to India, and on the excuse of which such a huge military expenditure of 55 crores is justified, is a threat composed of 7 lakhs of fighting men and about 2 lakhs of modern rifles. I hope it is not contended that the people there have got 50 pounders, or 60 pounder guns or field artillery or machine guns or air force. There are no such modern scientific weapons there in the possession of the people of the tribal territory. And supposing if they had, have they the training and the scientific knowledge needed for their use on the battlefield? *Therefore on all the most generous considerations*, the military threat to India is composed of only 7,00,000 men and about 2 lakhs of modern rifles. Besides are these men trained, drilled and disciplined on modern scientific lines? The Great British General Sir Ian Hamilton says, in his book, "Soul and Body of the Army":

"A thousand men standing up in the open with arms in hand, each anxious to fight himself, but each uncertain of how far his fellows meant to fight, were liable to be scattered like chaff by a mere handful of soldiers hypnotised by habit into responding as one individual to the order of their Sergeant."

Are these tribal people so trained? In order to provide against the possibility of an attack on India by 7 lakhs of men armed with 2 lakhs of rifles, we have provided for an expenditure this year of 54 crores and 20 lakhs of rupees. That is the calculation that I have come to and I am going to present this calculation to my Honourable friend, Mr. Young, who is the Army Secretary in India. If he thinks that he can present a better case to justify a military expenditure of 54 crores and 20 lakhs, I should invite information. I keep an open mind.

That is one point that I wanted to speak about and therefore my contention is that the present military policy in India is lavishly expensive I therefore believe that, looking to the possibility of any threat of foreign aggression, as it exists at present, there is no need for such a heavy expenditure on the Army in India.

Now, I should like to draw the attention of the House to a little speech, as reported in the Press, made in the Council of State day before yesterday by His Excellency the Commander-in-Chief. The points that he made out in his speech are as follows. First he quotes with approval the fact that whereas all the European countries have seen their way to increase their military expenditure, it is only England that has reduced her military expenditure, thereby perhaps indicating that the military threat to England has become very much less. Have the Germans ceased to entertain any kind of idea of hostility to England? Has France ceased to be so inimical to England as she was about 50 years ago? Is Russia so very friendly to England that England may feel that there is no military threat from that side, and therefore England must reduce her military expenditure? And His Excellency the Commander-in-Chief puts it with great pride and satisfaction that England should teach a lesson to other Nations like America, Germany and France and see its way to reduce its military expenditure from 51 to 40 million pounds, that is, a reduction of 10 million pounds. And India alone in the British Empire, with a military threat of 7 lakhs of fighting men only, is not in a position to be able to reduce its military expenditure by very much more than Rs. 80 lakhs. I said the other day that even this reduction is a make-believe reduction, an eye-wash, a camouflage. I have made calculations and proved that it is not the real reduction that it ought to have been.

The second point of His Excellency the Commander-in-Chief, which concerns me at present, is this. A question was asked two days ago in the House of Commons by Commander Kenworthy, and Mr. Wedgwood Benn, the Secretary of State for India, said that he was quite prepared to consider the extension of the present scheme of Indianisation of the Indian Army if the Government of India felt justified in recommending it on the basis of the results already achieved. In this connection, His Excellency said in his speech in the Council of State day before yesterday that the recommendations of the Skeen Committee had been given effect to in every respect except in regard to the eight unit scheme and the establishing of the Indian Sandhurst in 1933. He said further that the Government of India did not feel confident that the cadets coming forward for the Indian Sandhurst could be relied upon as being sufficient either in quality or in quantity so as to justify the Government in undertaking the heavy expenditure involved in the immediate creation of an Indian Sandhurst with possibly a very large staff. This means that His Excellency has two objections to the creation of an Indian Sandhurst. The first is that the Indian cadets that have so far come forward have not given entire satisfaction, or at least as much satisfaction as he was led to expect, and therefore, if an Indian Sandhurst were started in India, it would be a costly thing, and it would not be patronised or made full use of by the Indian cadets, that is, what His Excellency means to convey is that it will be creating a supply before

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there is any demand for it, if he were to go in for an Indian Sandhurst. Let us see what are the results achieved so far in regard to the cadets appearing before the Interview and Record Board for selection for admission into the cadet colleges of England. Taking for instance, the last examination, the November examination, out of the two examinations that were held last year, only one examination was held in 1928—taking the last November examination, let us see what the results are. The results were, if I remember aright—I am open to correction with regard to these figures—the results were that 69 students appeared before the Interview Board.

Mr. G. M. Young: Fifty-nine, three in England and the rest in India.

Dr. B. S. Moonje: If I remember aright, 69 appeared; I think I am right. But I take your figure as 59, and that is for how many vacancies? Would you supply me those figures?

Mr. G. M. Young: There were 10 vacancies at Sandhurst . . . .

Dr. B. S. Moonje: I will tell you if you do not remember. So far as my information goes, there were 10 vacancies for Sandhurst, 4 for Woolwich and 6 for Cranwell. Is it right?

Mr. G. M. Young: I think yes.

Dr. B. S. Moonje: Oh that does not matter. That is, about 20 candidates were to be selected, and 69 candidates, according to my memory and 59 according to the information of my Honourable friend, Mr. Young, the Army Secretary, appeared for the competitive examination. That is a good competition, three or three and a half times as many students appeared for competition as there were vacancies. Who can say that is not a good competition with a better promise for the future? Therefore, even from this point of view, from the point of view of the students taking advantage of the competition, the result is not to be despised, because three times as many students appeared for competing for ten vacancies for Sandhurst, six for Cranwell and four for Woolwich. Besides, the Government, as my Honourable friend, Mr. Kelkar, just reminds me, have not been undertaking, as they ought to, any propaganda work in order to popularise it and bring in a larger number of students for the competition and also has not been creating a larger number of vacancies. The Government may, or rather are, unmindful of their duties in the matter, but it concerns me vitally and I am therefore carrying on the propaganda on my own initiative, but it is not looked upon with favour, I personally know, by the Members of the Bureaucracy. (*An Honourable Member*: "How many passed the test"?) I will just come to it. Sixteen boys were declared passed both in the written and oral examination for Sandhurst, but unfortunately only 10 were taken, because there were no vacancies for the other 6, though they satisfactorily passed the examination held by the Interview and Record Board. What damping effect will it have on the young men if only ten vacancies are to be filled up every time out of so many boys competing and passing the examination? Look at the amount of disappointment and discontent that it will give rise to. As regards Cranwell, there are only 6 vacancies; 7 boys were declared passed but only 6 were taken, and one was kept out because there was no vacancy. As for Woolwich, none from India was taken. Now I might cite here an instance which is very instructive. One boy had got 747 marks total for the Woolwich examination. Though

the number of pass marks fixed for Woolwich was 690, he got 747 marks, that is 57 marks more than the total pass marks fixed. This same boy got 656 for Sandhurst, for which the pass marks are 540 that is 116 more than the pass marks fixed. So this boy got very much more than the pass marks both for Sandhurst and Woolwich. But he could not be taken in for Sandhurst because there were no more vacancies than 10 and he could not be taken in for the Woolwich because unfortunately he did not get a sufficient number of marks in one subject, mathematics. Up to two years ago, up to 1928, the marks in mathematics, and chemistry or physics were combined and the pass marks fixed for the combined subjects were 240. A boy was required to pass in two subjects combined either mathematics and chemistry, or mathematics and physics and was required to get 240 pass marks in these combined subjects. If we take that standard, this boy failed only for want of 3 marks because he got only 237 marks in these combined subjects. He got 210 marks in the Interview and Record Board examination though the pass marks fixed are only 140; that is, he got 70 marks more than the pass marks. But, according to rules, he could not be taken, because he did not get a sufficient number of marks in the subject of mathematics, and he failed by 3 marks only in the combined subjects of mathematics and physics. I have referred in my questions, asked some days ago, to what Lord Rawlinson, our late Commander-in-Chief had said in connection with slackness of the test of these competitive examinations for entry into the military colleges of England for British boys. He has said in his diary that for the competitive examinations for Sandhurst and Woolwich about his time, though the standard was the same, as it is now, the standard for testing of British boys was very low; because a sufficient number of cadets were not coming forward to fill the number of vacancies that were offered. Could not a little relaxation be made in the observance of these rigid rules so as to provide for taking at least one or two students for Woolwich like the one of whom I have thought to make mention here? I may make mention here, for what it is worth, about certain misunderstandings or impressions prevailing among the people in respect of selection of Indian boys, particularly for Woolwich and Cranwell, though I do not believe that there could be much truth in them. Anyway, the impression is gaining ground in the country that prejudices are still lingering in the minds of the British officers in two respects. First, that boys generally not belonging to what are called the martial classes, though quite up to the standard of fitness prescribed for selection, are generally turned down; that is one misunderstanding prevailing among the people. The second impression or misunderstanding that is prevailing is that, though they might take some Indian boys for Sandhurst, as far as possible, they turn down boys for Woolwich and Cranwell. I do not think that that kind of misunderstanding is well founded, but at least so far as there is any little ground for such belief among the people.

An Honourable Member: What are the conditions under which boys are permitted to appear in the examination?

Dr. B. S. Moonje: The Honourable Member can get a copy of the rules and regulations and see for himself. There is no time for me to go into that now. The results of the examinations for the last two years give some basis to that belief, to that misunderstanding, to that impression amongst the people. In 1928, so far as my information goes, no student was selected for Cranwell or Woolwich. In 1929, excepting the

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last examination of November, 1929, no students again were selected for Woolwich or Cranwell. In the last examination only one was selected for Woolwich from amongst 69 boys who appeared for the competition in India. It may be that, in the opinion of the Interview Board, none of the boys was fit for Woolwich. It may be, and yet these things give colour to the belief, to the misunderstanding amongst the people, that boys for Woolwich and Cranwell are to be turned down and boys for Sandhurst alone are to be taken. It is this point that I want here to bring to the notice of the Government of India, and I wish they could do something to remove this misunderstanding, this impression, wherever it might exist. Therefore, from what I have said, it has been proved beyond doubt, beyond contradiction, that so far as the results of the Interview and Record Board examination are concerned, boys come in sufficiently large numbers for competition to be selected for the vacancies, however few they may be, at Sandhurst, Woolwich and Cranwell. Therefore, this system of Indianisation of the Army so far has achieved results even to the satisfaction of the British Military officers like those of the Board and I hope these results, when brought to the notice of His Excellency the Commander-in-Chief, will be found satisfactory even by him and enable him to revise his opinion in the matter, and recommend and justify his recommendation for further substantial extension of the Scheme.

Now, as regards Indian officers who have been given King's Commissions, there are I think about 115 in number. About them the Skeen Committee themselves say:

"There are a number of young King's Commissioned officers already in the Indian Army who are pronounced by their Commanding officers to be efficient according to the single standard of efficiency which the Army recognises, and many of these have reached their present position in the face of far greater disadvantages and difficulties than a British boy has to overcome." (Page 21.)

Thus they have stood the test of efficiency, the only one standard of efficiency which ought to prevail in the Army. Therefore, either from the point of view of cadets coming up for the competitive examination before the Interview Board, or from the point of view of the efficiency of the Indians who have been given King's Commissions and are working in the Army under British Commanding Officers, it has been proved that the results achieved so far are quite satisfactory and most promising for the future. I am therefore surprised at the statement made by His Excellency the Commander-in-Chief in the other House that the Government do not feel confident that the cadets coming forward for the Indian Sandhurst could be relied on as being efficient either in quantity or in quality so as to justify the Government in undertaking the heavy expenditure involved in the immediate creation of an Indian Sandhurst. Until an authoritative case with substantial proofs has been made out from the Government's side, justifying the remarks made by His Excellency the Commander-in-Chief that the Government do not feel satisfied about the results achieved so far we must be pardoned if—we feel we are justified if —we attribute motives to the Government that they really do not look upon the Scheme of Indianisation with any favour. If, as I have said, the results are satisfactory, then there is absolutely no reason why Government should not come forward and allay our doubts, remove the misunderstandings that are in our minds, by making a declaration that, as recommended by the Skeen Committee, an Indian Sandhurst will really be established in 1933. If they are still suspicious, if they are still doubtful, about the efficiency of the Indian cadets, they have got the Military College at Dehra Dun, they might increase the number of entrants in that College; they might reduce the fees of the College so that a larger and larger number of intelligent boys might find it within their means to join the College; they might train them, and in three years' time a sufficiently large number of cadets trained in their own way, and by their own men in Dehra Dun, would be available for taking their education and training in the Indian Sandhurst. Thus so far I have not been able to find one valid reason amongst those which the Government have advanced so far against an Indian Sandhurst being established in 1933, as recommended by the Skeen Committee. With these points before me, Sir, I cannot but support the cut that has been made by my friend, Mr. Abdul Matin Chaudhury.

Nawab Sir Sahibzada Abdul Qaiyum (North-West Frontier Province: Nominated Non-Official): Sir, I really sympathise with my Honourable friend, Dr. Moonje, in his impatience to see the Indian Army Indianised at the earliest possible date and made less expensive than it has been in the past. There are many others in this House who are of the same opinion and would like to see the Indian Army Indianised to its full extent, as fast as possible, and to cut down the Army expenditure to its minimum, and to this extent, Dr. Moonje has my fullest support. Sir, I hold no brief for my friend, Mr. Young, or for the Government of India, and if I make a few observations on this subject, I hope they will be taken as the spontaneous remarks of a man, who has spent most of his time with the Indian Army in their operations in the various centres of their activities. I feel I also have a little justification for speaking on this subject, because I happened to be a member of the Sandhurst Committee, which has come under discussion. These are the two pleas which I can bring forward for the expression of my views on this subject.

Taking first the general question of the expensiveness of the Army, I know from my personal experience that the Army expenses are more strictly scrutinised in most of the Departments of the Army than the expenses of some of the ordinary Departments of the civil administration. In the ordinary administration, the addition of a lakh here or a lakh there does not count for much. As a matter of fact, for very ordinary reasons posts can be created for people who can make themselves indispensable in some of the Departments, on the plea that their expert opinion must be available and money does not matter very much in the creation of such posts. But in the Army, no new appointments can be created, no additional officers can be appointed in a battalion, neither can a joint Commandant be appointed to command a regiment. But, whether the present strength of the Army is just enough, or whether it can be reduced, is really the point at issue. I think that in spite of all that has fallen from the lips of my friend, Dr. Moonje, the Army is really not too large at its present strength. At present the dangers may be less or more, I cannot say. Dr. Moonje thinks that we are quite safe from the North-East and South-East borders of India; and though I cannot fully agree with him on that point, there may be some justification for it; but as far as the North-West Frontier is concerned, we are certainly not safe from that corner, though here the blame lies with our own people perhaps. But I think it is not the danger from the tribesmen alone for which India

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has to keep up this Army, but it is on account of the possibilities of dangers and invasions from that direction that India must maintain a strong Army. As to the direction of the possible invasions of India, the invading Army need not follow the routes through the Hindu Kush range or the valley of Chitral, or even through the Kabul or Kandahar plateaus. There is a very open space and a fine route for the possible invasion from the North, between the East of Persia and the West of Afghanistan; and it is for that reason that Baluchistan at least should be well defended and well equipped with troops.

Sir, the Army is a thing which cannot be raised or created in a day; it requires a great deal of training and equipment; and if anything extraordinary happens on Indian borders, the same difficulty will arise as had to be faced by the British Government in raising the Kitchener Army. If the war had not been prolonged and given more time for the training of the new troops, perhaps the raw material or half-trained troops that were pushed on to the German frontier, would have failed to achieve the victory. You keep your watchmen for eventualities; whether you see an immediate danger of burglary in your house or not, still you have to keep permanent watchmen at your gate to make sure that your house is not burgled. It is a kind of watch that has to be maintained by keeping a permanent army.

As regards the personnel of the Army, Sir, let us take it for granted that it is a bit large. But with the very indifferent communications and very inferior equipment as compared with the armies of the West, you have to keep a larger number. I believe the expenses go a good deal towards the equipment of the Army and the opening of new communications, and especially the mechanical transport, etc. When these communications are completed, when the equipment is brought up to date, and when you can put in more aeroplanes and strengthen the Air Force, perhaps the number may then be reduced. Sir, my friend laid great stress on the British element in the Army. He thinks that it is very expensive, and that the cost is five times more than the cost of the Indian section. That, I am afraid, is an unavoidable evil. My friend has not touched at all the question of the internal peace of the country. (*Colonel J. D. Crawford*: "Hear, hear.") Perhaps he has intentionally avoided it. He spoke only of the poor North-West Frontier Province and the dangers from that corner. But that is not all. The internal peace of the country almost entirely depends on this British element in the Army. . . . .

Dr. B. S. Moonje: 70,000 Britishers are required for internal security?

Nawab Sir Sahibzada Abdul Qaiyum: Yes, I think so; the country is nearly as big as the whole of Europe. I may give an example. In 1919, when we were unexpectedly attacked at Landi Khana, and wanted some troops, we could not get more than three to four thousand men in the whole country north of Jullundur. Occasions like this do arise every now and then and may arise again. You must not forget the great disgrace that India had to suffer by the temporary fall of Thal though for a few hours only—this was simply due to the fact that we could not spare troops for that corner, although we knew the danger was real in that direction, and troops from the Khyber had to be transported to the Thal side in lorries . . . . .

Dr. B. S. Moonje: The inner history of that war has yet to be written.

Nawab Sir Sahibzada Abdul Qaiyum: When it is written, I hope you will be able to change your opinion. If, as I say, communications are opened and transport is improved and the Air Force comes more into operation, naturally the personnel of the Army will be reduced. But what I want to say is this: it is the armament and the equipment part of the Army which absorbs the greater part of the Military Budget. It is the opening of new communications and various other matters of that sort which lead to the expensiveness of the army and it is the standard of life and equipment of the forces, as compared with other European countries, that go to swell the Army Budget. Have you ever compared the rise in the civil expenditure with that in the Army? Every day in this House, Resolutions are put in for the increase of the salaries of the Postal and Telegraph Department employees, of peons here and of peons there, and so on. If you will compare the figures, you will see that the pay of the Army man is comparatively very low. As regards equipment, of course, that is not the concern of the poor soldier. He is prepared to sacrifice his life for the sake of the Rs. 13 or Rs. 23 that he is getting a month. He does not get even a rupee per day, which is given to an ordinary coolie in many parts of India; nor has he any additional advantages in the military service by way of pensions, etc. Even the higher officers of the Army draw lower pensions than those drawn by officers of their rank in the civil services. Well, Sir, I don't like to go into greater details here, but all that I want to point out is that the greater part of the Army expenditure is incurred on the present-day equipments, and the moment those equipments, etc., are brought to the level of those that exist in other advanced countries, there will then be the possibility of reducing the expenditure, as well as the number of men in the Army.

12 NOON.

I will now come to the Sandhurst Committee's Report. There were three points made by the Mover of the Resolution. The first was that there were no signs of the establishment of an Indian Sandhurst in the near future; the second was that the eight units' scheme, which was recommended to be abolished by the Committee, is still in existence; and the third was that a larger number of candidates were not taken at the entrance examination. Sir, I think that the recommendations of the Sandhurst Committee were very moderate and modest, and they should have been accepted without much hesitation. There is still a chance for Government to reconsider the matter before it is too late . . . . .

Mr. M. A. Jinnah (Bombay: Muhammadan Urban): It does not want to.

Nawab Sir Sahibzada Abdul Qaiyum: Well, Sir, I shall come to the establishment of an Indian Sandhurst later on, but I do not see any justification for Government refusing the recommendation for the abolition of the eight units' scheme. I have never been able to understand the great danger that would follow if Government accepted that recommendation, I have never been able to understand the great delay in the removal, if I may use the words that have often come to my ears, of the untouchability bar put on those eight units. Why should those eight units be seggregated from the rest of the Army? Personally, I have not been able to understand the reasons for the policy of Government in that respect.

Mr. M. A. Jinnah: Because the British did not want to serve under Indian officers.

Nawab Sir Sahibzada Abdul Qaiyum: Well, they have been serving in the civil Departments, and in the Army too there are many units in which Indians are serving in the non-Indianised units along with Britishers. If there are cases where they can live together and work together, why should these eight units be particularised for Indianisation? The Indian officers lose the opportunity of learning a good many things from their British comrades.

Then, Sir, as regards the candidates coming up for the Sandhurst examination, I had the opportunity of sitting on the Interview Board once or twice. To be frank, and I hope my friend Dr. Moonje will not feel injured, if I say that the type of candidates that is coming before the Interview Board, with some exceptions of course, is not the real type of men whom you will care to have for the Army.

Dr. B. S. Moonje: Do you contradict the figures that I gave out of the candidates who appeared at the last examination?

Nawab Sir Sahibzada Abdul Qaiyum: I have already said, with a few exceptions. I do not condemn the whole lot that came up before the Board. I only say that the majority, with of course a few exceptions, is not of the type of people who will do well in the Army . . . . .

Dr. B. S. Moonje: Seven more candidates passed than there were vacancies. You must remember that.

Nawab Sir Sahibzada Abdul Qaiyum: If you simply want to change the colour from white to black, you are quite justified, but what I am referring to is that the type of man with character, who can command a unit in action, is not forthcoming. I do not know if all that is wanted by my friend is a change of colour and that he will not attach much value or credit to the spirit inside the candidates, but I don't want to enter into a discussion with him on this point.

Dr. B. S. Moonje: That very agency composed of not Indians but British officers, that certifies the character has passed seven students more than there were vacancies.

Nawab Sir Sahibzada Abdul Qaiyum: When my friend said that there were as many as fifty candidates for as many as twenty posts, and that that was a good competition, I thought in my mind whether 2½ candidates for one post was really good competition. I think that 50 candidates for one post will be a good competition out of 30 crores of people, who want to get themselves trained for the Army. You have not condemned very many. A boy may have passed, and he may not have got a post; but you must see how many failed to get through.

Dr. B. S. Moonje: Perhaps, from your point of view, 33 crores should compete for 10 vacancies?

Nawab Sir Sahibzada Abdul Qaiyum: That is exactly what I am coming to. I want the thirty crores to break up their caste system and that they all should make up their minds to go up for military service . . . . .

Mr. M. A. Jinnah: Then we shall not have to discuss the Sandhurst Report at all.

Nawab Sir Sahibzada Abdul Qaiyum: The Sandhurst Report is really out of date now. When you signed it on the 9th of November some

years ago, the communal trouble was not so bad in the country. But do you now suggest, in the light of what is happening in the country today, that the Army which is maintained for keeping peace and order should be interfered with by a new experiment, especially when your police have been accused of partiality and class prejudices? Do you want to establish a Sandhurst here, when the cadets will be living in an atmosphere surcharged with ideas of independence and cries of "Long Live Revolution" and what not? Well, you must change your mind now and take your Sandhurst either to the South of the Andamans or to Australia and establish it there, so that the cadets may be free from this poisonous atmosphere!

Mr. M. A. Jinnah: Does the Honourable Member still require responsible government in the North-West Frontier Province or not?

Nawab Sir Sahibzada Abdul Qaiyum: I shall not ask for it if others do not want it. I have said, on the floor of this House, more than once that I am not a great believer in these reforms, but as we are part and parcel of India, and we do not consider ourselves a bit less fitted for them than you are, we claim constitutional advance as our birthright. We are second to none in education, and in patriotism. We have been Indians for the past hundred years, so much so that we have sacrificed our mother tongue for the sake of Indian citizenship, by adopting Urdu as our *lingua franca*.

Dr. B. S. Moonje: Does the Honourable Member argue that, owing to the communal troubles in India, the Indian Army should be disbanded and the entire Army should be composed of British officers?

Nawab Sir Sahibzada Abdul Qaiyum: If it were in my power, I should have done that. Nothing short of that. I have said on the floor of this House that there is only one solution of these difficulties and that is that there should be a forced settlement between Hindus and Muslims and that intermarriages between Hindus, Mussalmans and other communities must be contracted by some statute if you want a real unity.

Sir Hari Singh Gour: Did you not oppose the Special Marriage Act?

Nawab Sir Sahibzada Abdul Qaiyum: It was not enough to create the spirit which I should like to see created. If Dr. Gour will see the proceedings, he will see that I said that it was a small measure of advancement in the right direction. I want the Treasury Benches or the non-officials to come up with a strong measure to bring about forced marriages between the various communities and the settlement of their differences by some law. If my friend over there (Dr. Gour) will bring in a Resolution or a Bill according to which everybody in India will be at liberty to do anything in the name of religion or according to the dictates of his conscience under the protection of Government, whether it is the killing of a cow or playing of music before a mosque or an untouchable getting into the most sacred temple or an untouchable marrying a high class woman, then I shall certainly support him. If I am here, I promise him my whole-hearted support.

Sir Hari Singh Gour: Why don't you bring in a Bill like that yourself?

Nawab Sir Sahibzada Abdul Qaiyum: Simply because Mr. Acharya and men of that sort will not support me. Social reformers who come to this House, are not justified in bringing such measures before this House unless

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they are prepared to go before the masses and address them at public meetings, and get support from them. My friend, Sir Hari Singh Gour, has no justification for coming to this House and asking us to put our signature to measures of this sort without first going before the public.

Now, Sir, I have taken myself away from the main subject and I am sorry for that. I believe, Sir, that the Sandhurst Committee recommendations are not very many and they could be easily adopted and might be adopted even now without much difficulty, except, of course, with one exception. It is about the place of the location of this Indian Sandhurst. In the present circumstances this Sandhurst should I think be located somewhere in Central Asia across the Pamirs, or somewhere in the South Seas, away from the poisonous atmosphere of this country. Things were really not so bad with respect to communal troubles when we signed the report some years ago. But under the present circumstances I don't believe that even the 18 months' absence of cadets from India at Sandhurst is enough for purifying them from this communal bias. If the cadets could be isolated, I believe, we should get very fine army officers from among our large population, with the spirit that is coming on. I do not mean that spirit is lacking in India. There are people who go on hunger strike, which is harder than a fight. If they can hunger strike, they can easily face the enemy too. On that ground, I think it will be wiser if the more modest recommendations of the Sandhurst Committee are accepted, and some definite policy announced by the Army Department in this direction.

There is one point more and that is about the number of candidates that are coming up before the Examination Board. We know that, with good social position and money resources, and with good education and other influences, a number of candidates do come up every time for this entrance examination, but I have noticed that, in many cases, they belong to classes which are not represented in the rank and file of the Army. I know that there are only special communities which are taken in the rank and file of the Army, but if a candidate is seeking to be an officer in the Army in the higher ranks, commanding men who do not belong to his own class, or whose confidence he cannot command, he will be handicapped greatly in the discharge of his duties. Where martial spirit is required, that spirit should be known to the rank and file at least by the traditions of the families to which the candidates belong, to begin with. My own experience tells me that a man who comes from the same class which forms the majority of the rank and file of the regiment, is much more respected as an officer and commands greater confidence of the people under him. I hope that an opportunity will be given to some of these people, who are not taken in the Army, to go into the rank and file and show their worth there, so that they may establish their claim for the officers' class as well. I do not think that there are many in the non-combatant classes who are poor enough to join the rank and file! If, however, these classes do not care to join the rank and file and prefer to do their ordinary trade or business, or find other avocations of life more profitable, then they have no justification in sending up their youths for the higher grades only.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): Sir, the question of the military expenditure of the Government of India and of the Indianisation of the Army has been a veritable hardy annual,

but it must be recognised that it lies at the root of most of the evils from which the country is suffering. The maintenance of military expenditure on the present scale is calculated, on the one hand, gravely to hamper our advance towards self-government and to stand in the way of our complete mastery in our own house, and, on the other hand, to draw away immense resources which could be utilised for objects which are vital to the well-being of the people. Now, Sir, the military policy and military expenditure of the Government of India have been sharply criticised and as stoutly defended. I am afraid it is an absolutely unequal fight. On one side, we have the Government Benches, which are in possession of facts and figures, and, on the other, we have non-official Members who, in these highly technical matters, are not by any means as well equipped as my friends on the Treasury Benches. Therefore, I do not propose to be drawn into details. I do not desire to discuss any particular item or to put forward any definite suggestion with regard to making a cut here or doing away with an item there. I regard this as absolutely beside the issue which is now before the House. It is possible that the Government might say, as they have always said, and to which my Honourable friend, Sir Abdul Qaiyum, has just endorsed, that the expenditure on the Army is by no means extravagant, and that the strength of our forces is by no means excessive when you take into account the needs of the country, its vast population and the immense frontiers which have to be guarded. Now, Sir, that may or may not be the case. I am not prepared to argue that point here. But I do know, and it is a fact which neither the Benches on the other side nor its supporters in the country can dispute, that, this country simply cannot afford the expenditure which is now being incurred on the Army.

Colonel J. D. Crawford: You mean expenditure on the administrative side.

Mr. H. P. Mody: I will come to that presently. I say that the economic condition of the masses is so unhappy in spite of all the improvements which have taken place in recent years, improvements which we are not prepared to ignore, that it is impossible for us to stand still while the Army expenditure is rising, or, if it is not rising, at any rate, while it is swallowing up a great deal of the resources of the country. The military expenditure is admitted to be 27 per cent. of the resources of the country. Whatever it is, what I am trying to establish is that it is altogether beyond the resources of the country. Now, you might say, that may be so, but the expenditure is necessary. I dispute that proposition. I say that, irrespective of any necessity which you think you might be labouring under of maintaining the Army at a particular strength and spending a particular amount on it, you cannot possibly ignore other aspects of the question. I say that you have to retrench, and if that means the taking of certain risks, you *have* to take those risks. What is happening in other countries? Is my Honourable friend, who represents the Army Department, prepared to say that other countries at the present moment are not taking very considerable risks? What was the position of England immediately prior to the declaration of the Great War? I do not claim to be an expert, but I think I can say with confidence that experts many years before the Great War were of opinion that, if there was a European conflagration, it was impossible for England to stand aside, and in that case the strength that she would have to put

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forward would be very largely in excess of the standing army which England was then maintaining. And yet, Sir, apart from the Territorials, not a single man was added to the regular strength of the Army. If that is not absolutely correct, we might say that very little was added to the regular strength of the Army. England, therefore, went to the war unprepared in a sense, and raised thereafter millions of men to go forward in the various theatres of war throughout the world. The same was the case with France. She was menaced for 50 years by a militant neighbour, whose preparations were known the world over, and yet France was prepared to take certain risks and she took them, and she paid heavy penalties for these risks. In order to guard against possible dangers, you do not starve the country, you do not tax the people out of existence, and that is exactly what is happening in this country at the present moment, I am very sorry to have to state. Government might think they are providing this Army with a view to safeguard our frontiers and to secure internal peace. That may be so. I am not prepared to deny it, because I have not got the expert knowledge of my Honourable friends, Dr. Moonje and Sir Abdul Qaiyum. I am not prepared to state that the strength is not required for the needs of the country. My whole point is that, while you are safeguarding yourself against certain dangers, you are laying yourselves open to far greater dangers, in other directions. And those other dangers are those which the Mover of the proposition has just pointed out. They are largely due to unemployment and to the economic distress that is prevailing throughout the country. Thereby, you are creating an army of incipient rebels. (Interruption by the Revd. J. C. Chatterjee.) I see that my Honourable friend's idea is to provide employment for them by raising the strength of the Army. That is not my idea of improving the economic status of the people. The economic status of the people can only be improved by keeping your expenditure down to the lowest possible minimum, consistently with a reasonable degree of efficiency. It is true that you have a highly civilized government, but the question arises—and it is a point which I might have made on the Budget—whether this country can afford the very best, and whether the time has not come when it should be satisfied with the second best. The whole issue is whether it is possible for us to maintain an expenditure, either on the civil or on the military side, at the figure at which it is being maintained at the moment. I say that, if you do not keep down your taxation to the lowest figure possible, consistently with safety, efficiency and other considerations, and if you do not provide an outlet for trade and industries to expand, then you are creating a very grave situation in the country. That, Sir, is all that I have to say on the first aspect of this question.

Now, Sir, the second point is with regard to the question of the Indianisation of the Army. A great deal has been said about the report of the Sandhurst Committee. The Honourable the Mover stated that the Report was exceedingly modest and that he was not prepared to subscribe to it, but that it was a happy compromise. It has not turned out to be either happy or a compromise, because the Government, for one reason or another, have shown themselves unable to accept the very modest recommendations which that Committee put up. A great deal has been said in recent years, about the difficulties in the way of the acceptance

of this Report. I want to ask my Honourable friends on the other side, in all friendliness, can you be heard at all when you talk about difficulties in this matter? I find, on a casual reference to the Report that, out of a strength of something like 1,600 Captains in the Indian Army in 1925, only seven Indians were found fit to hold the rank of Captain. That was in 1925, more than a hundred years after British rule has been firmly established and consolidated and extended. My Honourable friend, who just preceded me, Sir Abdul Qaiyum, seemed obsessed by the difficulties in the way and said armies could not be created in a day—you require the right spirit, you require character, you require morale which builds up armies and which commands them. Well, I accept all that. But I say to my Honourable friends on the other side, after more than a hundred years, could you not find more than seven people of the required intelligence and character to occupy the posts of Captains? Is that what you say?

Dr. B. S. Moonje: What can they do, if they are not fit?

Mr. H. P. Mody: I am coming to that presently. What I was saying was that if Government could not have more than seven men for holding the rank even of Captains, how can they be heard when they speak of difficulties? If we on this side said nothing, they would go on talking about difficulties for another fifty years, and at the end of it, what would happen? Nothing. They would still be talking of want of character, want of capacity, want of morale, and everything else that can be brought out in arguments of this character. My Honourable friend, Dr. Moonje, wanted to draw me out on the question of fitness. Indians are supposed to be fit for the highest positions under the Crown; they can become Governors of Provinces, Members of Executive Councils; they can become Privy Councillors, and they can be admitted to all the privileged positions in the country. In all these positions, they have shown capacity and character, and have acquitted themselves with credit. But when it is the question of the Army, you require something very different, and you say that Indians do not possess the character, the capacity and the morale sufficient for occupying positions in the Army at the present moment. When is that something to come, and from where? I want to know when the Government are going to make a real solid beginning. When they merely talk about difficulties, it is impossible to regard such arguments with any degree of patience. For these reasons, I feel that this House ought, unequivocally, to express itself on the motion which is before the House. We must convey to Government, in the strongest possible terms, that this country cannot afford the present military expenditure, and that it is grossly dissatisfied with the pace at which Indianisation is proceeding. With these words, I support the motion.

Mr. M. S. Aney (Berar Representative): Sir, I have very great pleasure in supporting the motion which my Honourable friend, Maulvi Abdul Matin Chaudhury, has moved. The motion opens up the discussion of all the questions with regard to military policy, and particularly with regard to the attitude of the Government towards the Sandhurst Report. I am not going to discuss, Sir, the question of military expenditure, because you know, Sir, that on the floor of this House, that question has been threshed out very often, so often that it is impossible for any one of us to make any useful and new contribution to the debate on that point. It is an admitted

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fact that the expenditure which the Indian taxpayer has to bear for maintaining this huge corps of the military department is simply grinding and crushing him, and under this weight he finds it very difficult to make any progress whatsoever. All that is an admitted fact, notwithstanding the bold stand which my Honourable friend, Mr. Young, may take in opposition. I, therefore, do not want to go into that question, because I take it to be a self-evident proposition requiring no more demonstration.

Secondly, on the question of the Sandhurst Report also, my Honourable friend Mr. Jinnah has so often discussed that Report threadbare before this House, and brought out the iniquities which the attitude of Government has created in not accepting the main and the most substantial recommendations of that Report, that I do not think I should be able to throw any light on the matter, in taking up that topic and discussing it again. Besides, some of the points had already been touched upon in the debate. And I am perfectly sure that my Honourable friend Mr. Jinnah is bound to take part in this debate at some stage or another, and I think he will be able to throw more light on the question by his authoritative statement. I do not therefore want to anticipate him also. But military policy does not merely consist of military expenditure and the Indianisation of the Army. There are many other aspects of military policy which, in the heat of controversy, and in our zeal to consider these two important questions, generally go unnoticed; and one of these neglected aspects is the question of the entire disarming of this nation. That is also a part of the military policy, in my opinion. The administration of the Arms Act is one of the integral part of the military policy. I maintain that the Government of India are ruling this country not merely by exclusively confining the choice to Britishers in the matter of officering the Indian Army, but by putting heavy and intolerable burdens, and by crushing the people under the perpetual weight of extravagant expenditure which demands a considerable fraction of the revenues of the country and by taking from the citizens all the arms and by submitting them to the inhuman and cruel policy of emasculation by disarming the whole nation. That is another and the most shocking part of the military policy, and a very integral part of it too. I am particularly drawing the attention of this House to this part of the military policy on this occasion for this reason. For one reason or another, we often find our debates on important and essentially national issues very dexterously and deviously diverted into communal channels. One reason, in my opinion, why communal jealousy exists in this country is, that this is a nation which is disarmed. It is a nation in which people do not feel confidence in their own strength. It has become a nation of men who have lost all sense of self-respect and all sense of self-confidence. They feel that they are helpless and that they are entirely dependent for their ordinary protection upon a foreign bureaucracy. It is a common experience that two weak neighbours always and invariably suspect each other. Two strong men feel confidence in and respect each other. If you arm this nation, if my Hindu friends and Muhammadan friends will not remain a disarmed people, as they are today, I am sure that a good many communal troubles that are referred to in the debates on the floor of the House will never occur at all. Both the communities will have greater respect and regard for each other, because they, feeling secure in their own strength, can easily detect and respect the good qualities of each other. Now, suffering from a

sense of weakness they have been reduced to the position of utter helplessness, and been forced to depend entirely, even for their ordinary protection, upon an alien bureaucracy, and obliged to look up to it for help as the guardian of peace and order. The result is that most of them feel that probably his neighbour is trying to harm him by joining hands with the foreign Government. Every one thinks that the other man is in an unholy combination with the foreign bureaucrat, and thus gaining all the advantage over him, and there is an unconscious transformation in his mind pursuading him to be hostile to the neighbour and friendly to the foreigner who happens to be the ruler. These mutual jealousies and recriminations are unfortunately the most deplorable outlook of our public life, but they are the inevitable results of the cruel policy of disarming the nation which the Government have been pursuing for the last 75 years; a policy which no civilised nation will ever like to pursue if it cares to rule any people in a civilised manner. I shall give you, Sir, an historic illustration and contrast the present with the past. Are not Honourable Members, at least the Indian Members of this House, aware of this fact, that even when Hindu rulers and Muhammadan rulers were at war in the 17th and 18th centuries, there were loyal Hindu subjects under Muhammadan rulers, who fought for them, and also there were loyal Muhammadan subjects under Hindu rulers, who fought for them. The subjects and the rulers, though of different religions and beliefs, never suspected each other. Under the Peshawas and the Mahrattas there were Muhammadan Generals who loyally and bravely fought with the Muhammadan armies opposed to them and I say, without hesitation, that they fought with the same loyalty against the Mughal Emperor as any other Mahratta regiment fought at that time. The same is the story as regards Hindu soldiers and officers, who fought under Muhammadan Generals and Muhammadan rulers against the Hindu armies opposed to them. Can it be said that the Hindu or the Moslem of the 18th century was less religious and devout than his great grandson of today? They never suspected that a Muhammadan ruler would do injustice to a Hindu, or that a Hindu ruler would do injustice to a Muhammadan. Both of them felt quite confident of their own strength and were appreciative of the innate good qualities of each other. It is comradeship in arms on the field of battle that really cements unity between the two people or communities. In a state of helotage and abject and demoralising conditions of disarmament and helplessness, no attempt however honest, can ever hope to succeed in bringing about full and sincere and lasting concord and harmony between two great and large communities. It is thus your policy of emasculation which has created this detestable spirit of division between the Hindus and Muhammadans in this country, and one of the main factors by which you have brought about that disunity is keeping both of us in a state of perpetual helplessness, by disarming us and by making us feel every moment of our existence on this earth that we are a helpless miserable lot which can only be protected by you, and which must therefore look up for ordinary succour to you as the guardians of peace and order in this country.

Mr. M. A. Jinnah: And also appointments.

Mr. M. S. Aney: That is true, and I admit the truth of the valuable suggestion which my Honourable friend Mr. Jinnah has made. This is the sort of thing that is being done. So I say that this is the main

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reason why well meaning leaders of public opinion, whose disinterestedness is above question, leaders of the type of Mr. Jinnah on the one side and Pandit Madan Mohan Malaviya on the other side, and even men of world-wide reputation like Mahatma Gandhi have up to this time failed in bringing about any unity or concord and harmony. Do you mean to say that their efforts were not disinterested? This feeling of mutual jealousy, which is generated on account of a policy like this, cannot be completely eradicated unless there is a radical change in the policy itself; and, therefore, when my friends on this side of the House stand on the floor of the House and ask you to make a radical change in your military policy, I desire to warn the Government of India to take particular note of this fact, and in future whatever you may do about Indianisation and other questions, you must remember that you cannot keep Indians a nation of disarmed people for ever. Relax the rules under the Arms Act, give full facilities to the people to carry arms in the same manner as is done by the people of free and civilised countries, and you will soon find that the well-meaning efforts of our friends will bring about that complete concord and harmony in this country, the absence of which you deplore so much every day.

With your permission, Sir, I want to address a few words direct to the Treasury Benches. The tears, that you shed now and then and the expressions of regret and sorrow that you use at the present tension between the two communities, are considered by us as crocodile tears and insincere professions, so long as you do not make real efforts, which alone can bring about concord and harmony. We feel like that; probably my language is harsh and it may perhaps be unnecessarily strong, but I must tell you frankly how we feel. We maintain that a situation of this nature has been brought about by you, and you are seen perversely persisting in taking advantage of that fact to tell us that we are not fit for self-government. Indianise the Army, arm the people of this country, give them full facilities to grow as men to their full stature, and you will soon find that, not only are we fit for self-government, but, without your assistance, we shall maintain that Government against any foreign aggression whatsoever. For these reasons I strongly support this motion.

Sardar Bahadur Honorary Captain Hira Singh, Brar (Punjab: Nominated Non-Official): Sir, I belong to a class which mostly fills the Indian Army and a class from which recruits for the Army are mostly drawn. So I may not be able to tell you much about high policy, but I may be able to tell you how the Indian Army has been organised since I joined it in 1883. In 1880 the cost of the Army was 20 or 21 crores, and it has gone up now to something like 54 crores. In those days, when I joined the Army, the pay of a sepoy was Rs. 7 per month, *plus* 8 annas for his clothing, *plus* Rs. 2-8-0 as compensation for his food.

Mr. M. R. Jayakar: What was the cost of living in those days?

Sardar Bahadur Honorary Captain Hira Singh, Brar: The cost of living was something like six or seven rupees per head and Rs. 3-8 the man had to pay himself. The rest was compensated to him by Government, which used to come to something like Rs. 2-8. The total amount which he used to draw was Rs. 10. That was in 1883. In 1898, the pay was raised to Rs. 9, *plus* compensation, and perhaps a rupee more

for his clothing. At that time the expenses were either 20 or 21 crores. In 1911, another Rs. 2 were added and he drew 11 rupees a month, excluding his rations. In 1917, the pay was raised to Rs. 16, *plus* free rations and free clothing. Clothing in my opinion costs him about Rs. 10, per annum. His food costs not less than Rs. 10, which comes to about Rs. 30 per head per month. His pay has therefore gone up during these 47 years to about three times more than what it was in 1883. Of course the cost of a British soldier is much higher than that of an Indian soldier.

Dr. B. S. Moonje: Yes, five times as much.

Sardar Bahadur Honorary Captain Hira Singh, Brar: It may be five times or more. But some Members, probably Dr. Moonje is surprised to see that it is five times more. I think Dr. Moonje knows very well that, when we buy English made goods or articles, naturally we pay more, as they are sold at a higher rate than articles manufactured in other countries. I need not say more on this, but my friends can easily see the difference when one buys a Ford car and my Honourable friends on the opposite Benches buy Rolls-Royces. You can very well judge then why it is five times as much. I think that should satisfy Dr. Moonje.

Dr. B. S. Moonje: Yes, I said that in my speech.

Sardar Bahadur Honorary Captain Hira Singh, Brar: One thing more. In the general discussion, some Members have stated that they would like to have the British troops reduced. I cannot say very much in this connection. But ever since I joined the Army, wherever we went, we went in mixed brigades. That is, when the armies were mobilised, they were always brigaded mixed. One Punjabi, one Rajput, one Gurkha and one British Regiment. (*An Honourable Member*: "Why mixed?") Why are we mixed here? I can well see that we are well mixed here, and perhaps more mixed. We are sitting in seven divisions in this House. This is the world. I believe every soldier fights well when he finds another present by his side. If the other is more disciplined he says, "I should be still better disciplined". There will be so much competition and so much of learning from each other. Well, Sir, that is one of the advantages. Another one is, as my Honourable friend, Sir Abdul Qaiyum said, to maintain internal peace I will say nothing more in this connection.

Mr. Abdul Latif Sahib Farookhi (North Madras: Muhammadan): Mr. Aney has rightly replied to it.

Sardar Bahadur Honorary Captain Hira Singh, Brar: Yes.

Mr. Abdul Latif Sahib Farookhi: What is your answer for that?

Sardar Bahadur Honorary Captain Hira Singh, Brar: I do not remember what he said. (Laughter.) Unless it is made clear to me again, I can't say anything in that direction. He travelled so very fast. Well, Sir, I remember one thing more. You know I had the honour of serving on the Indian Sandhurst Committee. I think this question was also considered at that time and the Committee have never made any attempt to forecast the time when it may be possible to dispense with the British element. They say on page 33:

"Again we do not attempt to forecast the time when it may be possible to dispense with the British element in the Indian Army. * * * We also for the present assume generally the employment in India of a quota of British troops."

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Now, that is all I can say about the British troops in India. About the reduction, I have already told you about the expenditure in 1880, and you know what it is now. As regards the reduction of the Indian Army, any body who has studied the situation of the long frontier line on the North-West and South-West of India should never think of reducing the Indian Army in India. Of course, every one knows that the efficiency of the Army depends on two factors, mechanical and technical. You have to buy the latest mechanical transport, things like aeroplanes, just like the one now flying over us, to carry our messages and letters faster than by any other means. The spirit and morale of the troops depends very largely on the confidence of their leaders and their training, and if they possess inferior weapons to those of their opponents, they are sure to fail. Therefore, our Army must have the best weapons.

The status of the Indian soldier today is a little better than what it was about 100 years ago, and the House is well aware of the part the Indian soldier has played during the Great War. But what have they got after that? Reduction in cost, reduction in units, more reduction, more unemployment and still more reduction, and perhaps still more unemployment. The Indian and other soldiers get just sufficient to live on. Instead of carrying gold or silver in their pockets, they carry lead or fragments of bullets. Now, Sir, in this House, every now and again Resolutions are passed, as my Honourable friend, Sir Abdul Qaiyum has said, to raise the pay of postal employees, or the pay of employees in other Departments, on the plea that labour has increased. But have they ever thought of an increase in the pay of the Indian soldier? The House can do a lot to improve the Indian soldier's position. Unfortunately, the Indian soldier, or any other soldier, is remembered only when a war is on, and as soon as the war is over, he is forgotten. Afterwards everybody thinks of reducing whatever little pay he gets. Now, everybody says, that the Army is swallowing the whole of the revenue of India.

1 P.M. But when we ask our Commanding Officer for any little concession by way of free passes for our families or children, from a station in the South to our village in the Punjab, we are told that there is no money, and that they cannot help us. Similarly, if we ask for a little more accommodation for our families in the married quarters, we are told there is no provision. But in this House, I find all Honourable Members are thinking that the whole of the revenue of India is eaten by the Army. It reminds me of a story. A man was sentenced to death and he was about to be put on the stake; the sweeper came and said that the man was too thin. The judge replied, "Get hold of a fat man and put him on the stake instead." Now, the Army is fat, so cut the Army Budget, reduce the Army expenditure. Most of the Members here, Sir, some of them at any rate, do not know the face of a soldier, nor the face of the man who has seen service in war. (*Some Honourable Members*: "Here you are, we see you.") Come with me to Jullundur and Rohtak and I will show you their real faces, I will show you the wealth they possess. You will be surprised to find that they are carrying, uncoined metals in their bodies. Some of it is in the shape of a bullet in the body. Others carry silver plates to hold their skulls together; many have silver plated arms, instead of gold and silver in their pockets. I wonder if some of the Honourable Members would like to see these soldiers. The glorious pages which they

have made in Indian history during the great war, are something of which every Indian ought to be proud.

Dr. B. S. Moonje: There are Honourable Members in this House whose relations have died in the world war.

Sardar Bahadur Honorary Captain Hira Singh, Brar: My own relations, why, my two brothers have died in the Army. One brother is lying in Burma, one brother was killed in Thal near Kuram in 1878 in an Afghanistan campaign, and my father had three wounds in his arm and leg which he received while defending the Residency at Lucknow, for which my father received the Order of Merit.

Mr. N. C. Kelkar (Bombay Central Division: Non-Muhammadan Rural): And yet you are only a Captain in your old age?

An Honourable Member: Only an Honorary Captain.

Sardar Bahadur Honorary Captain Hira Singh, Brar: Here I am sorry. Of course, I blame. . . . . .

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Whom do you blame?

Sardar Bahadur Honorary Captain Hira Singh, Brar: That is my lot. I blame myself. I blame my *kismet*. If my father had cared to give me a little more education, I would have been something else; now I am what I am, a soldier, a soldier today, and for the last 47 years. Sir, I do not know why the late Mr. S. R. Das, who was a Member of the Executive Council and who raised Rs. 10 or 20 lakhs, did not ask this House to start a school for the sons of the poor Indian soldiers, who gave their lives in thousands on the battlefields of Palestine, the Dardanelles, France and other places? Sir, has this House established any record of sympathy, since the Great War, for the poor Indian soldier, who has always defended our hearths and homes?

Mr. M. S. Aney: Who is paying for the Jullundhur School? Is it not this House?

Sardar Bahadur Honorary Captain Hira Singh, Brar: The Government are doing everything, and the Honourable Mr. Jayakar wanted to take away even that. What is that, Sir, after all? Only a primary school for our boys. Give our sons a little more education, so that they may become fit to get King's Commissions.

Dr. B. S. Moonje: But you said just now you don't want that.

Sardar Bahadur Honorary Captain Hira Singh, Brar: Why not? I have sent my three sons to Sandhurst. One of them failed, but the other two have got commissions. I am for Sandhurst and for nothing else. Sir my class is for the Army. Our occupation is the Army. Somebody asked me the question, how many soldiers died in the last war. I say there is no home, which has not lost one or two of its dear sons or relatives.

Mr. President: The Honourable Member must now conclude.

Sardar Bahadur Honorary Captain Hira Singh, Brar: Very Good, Sir, How are we going to enlist the Indian soldier's sympathy? That is the question. I most respectfully beg this House always to bear in mind to

[Captain Hira Singh Brar.]

do something for him. I do not say that you never do anything for him. I do not know from where we are to get the money to do that, when you think the Army is already getting too much. Surely you don't mean to reduce the soldier's pay. At the same time, I do say, as Nawab Sir Abdul Qaiyum has said, that the money spent on the Army is so strictly controlled that a pice is not spent more than what is allowed. Sir, I can never forget Sir Prabhshankar's words. He told us that India is a great continent and that it is something like a big cow which stands facing towards the North West Frontier with its sharp horns, and the soldiers are made to catch the horns while the people in the plains milk her and enjoy the butter and cream; and they do it, Sir, without asking whether the man holding the horns is fully paid for his difficult task or for his chances of injury. But we are asked to hold the horns more firmly and at a ruduced cost.

Now, Sir, about the selection of the Sandhurst cadets. I think we are doing well, and I think, in time, more boys will come up, and I think the people are realising the necessity of developing the body and the physique of their boys better than before. Perhaps you may like to hear what we did when the Sandhurst Committee went to Aligarh College; we went and reviewed the boys, and General Skeen asked us how many in our opinion were fit for the King's Commission. If I were to say exactly what I told him then, you will get annoyed perhaps. . . . . .

An Honourable Member: We should like to know.

Sardar Bahadur Honorary Captain Hira Singh, Brar: I think I shall reserve it; but it was a very poor number; a very miserable number I told him. . . . . .

Maulvi Muhammad Yakub: Were you fit yourself for the King's Commission?

Sardar Bahadur Honorary Captain Hira Singh, Brar: If you can manage to give me one now, I shall feel very happy; I am still feeling strong and I shall still carry on, I tell you honestly.

Mr. President: I think the Honourable Member must now conclude.

Sardar Bahadur Honorary Captain Hira Singh, Brar: There is very little I have to say, Sir. This is my first chance, so, Sir, I beg your pardon. I want to say something about the Sandhurst. Our boys who are going to lead the soldiers ought to be of superior quality to those whom they are to lead. Honourable Members may ask, " How do you think yourself a better man?". Sir, I am not a better man, nor have I got better brains. But body and physique are surely the most important things for a soldier. . . . . .

Mr. M. A. Jinnah: Not without brains!

Sardar Bahadur Honorary Captain Hira Singh, Brar: Quite right, Sir, also brains; when the body is good, the brain is generally good; if the body is week, the brain suffers a great deal. So, Sir, is my own experience. . . . . .

Mr. President: Will the Honourable Member now conclude?

Sardar Bahadur Honorary Captain Hira Singh, Brar: I tell you my own experience. . . . . .

Mr. President: Order, order.

Raja Ghazanfar Ali Khan (North Punjab: Muhammadan): Sir, I want to inform my friend, Captain Hira Singh, who is supposed to be here to defend the interests of the Indian soldiers, that there are Members in this House who not only know the faces of the Indian soldiers, but know their feelings too.

Sardar Bahadur Honorary Captain Hira Singh, Brar: I said some Members, Sir.

Raja Ghazanfar Ali Khan: I have the honour to represent a constituency in this House which I can safely call the biggest and the largest military constituency in India. My small constituency contains at least 150,000 soldiers and in certain parts 57 per cent. of the population joined the Army during the great war. I know what their grievances are, and I know what their complaints are. I for one would be very reluctant indeed to say any words about the reduction of the Military Budget, because I know how our speeches in this Assembly are misrepresented, and an active propaganda is carried on against us. For instance, Sir, suppose I make a speech here and say that the Army Budget should be cut down by one or two crores, my intention being that the excessive items, such as the maintenance of the British troops in India should be reduced, what happens actually is that some small sum is cut down, say, in the construction of barracks for Indian commissioned officers, and the accommodation for their family quarters is reduced or, as Captain Hira Singh said, they are denied free tickets for their families, and when they complain about it, the answer given is, "Oh, the Legislative Assembly will not allow us to spend more money ". Sir, I want to ask, is there a single Indian Member here who would grudge providing all such facilities to the Indian soldiers and officers?

Honourable Members: Certainly not.

Raja Ghazanfar Ali Khan: There is not a single Member here who would do so; but at the same time we know as the Honourable the Finance Member has told us, that there is a deficit Budget, and to meet that expenditure, we have got to raise more taxation. One of the biggest items in the Budget is the military—about 55 crores—and we cannot help but ask the Government to reduce that figure as far as it lies in their power. We are supported in this opinion by the Inchcape Committee, who thoroughly went into the question. Now, Captain Hira Singh says that the British soldiers are indispensable, and I must confess that I was greatly disappointed to hear similar remarks coming from my most respected friend, Nawab Sir Abdul Qaiyum. My only consolation is that he made those remarks more in a jocular way than seriously. I cannot believe for a moment that a man like Nawab Sir Abdul Qaiyum will say that, if the military policy at present were in his hands he would demolish and disband all the Indian regiments and have only British troops. . . . .

Nawab Sir Sahibzada Abdul Qaiyum: Did I say that?

Raja Ghazanfar Ali Khan: My Honourable friend did say that, and I am very glad to see that it was just as I thought—he never meant what he said.

Another point is the communal question. It is very unfortunate that this communal question has loomed so large on the horizon that, whatever discussion may be taking place in this House, this question is dragged in. I can say definitely that it would be extremely unjustifiable on the part of any Member in this House to blame the military or the police for showing even the slightest communal prejudice in the maintenance of law and order. During the last seven or eight years we have not come across a single instance where communal trouble broke out between soldiers of a regiment in a cantonment, or where the police were deputed to discharge their duties of maintenance of law and order and they showed any communal bias.

Therefore, I think, when Nawab Sahib made the remark that the integrity of the police was being criticised it was more by way of joke . . .

Nawab Sir Sahibzada Abdul Qaiyum: I feel, Sir, I must make a personal explanation now. In the first place, I really forget the words used by me; that is whether I actually said what is ascribed to me.

Mr. President: That is all right.

Nawab Sir Sahibzada Abdul Qaiyum: The second point which I mentioned was this, that I thought it was only the Army which was so far safe in maintaining peace and order and that the police, wherever it came in contact with riots, were suspected of partiality and did not command the full confidence of the people in communal riots, and that the Army was the only source of safety.

Raja Ghazanfar Ali Khan: I am quite satisfied as long as Nawab Abdul Qaiyum says that it is only on the allegations published in certain irresponsible newspapers or certain conversations he had with some of his friends, that he based his opinion, but I would ask the Government to say whether they have got any suspicion that the police have not shown absolute honesty and fairness in dealing with communal riots . . . .

Nawab Sir Sahibzada Abdul Qaiyum: But is it not a fact, Sir, that whenever a riot takes place, telegrams reach the headquarters asking that a certain police officer belonging to one community or the other, should be transferred, and in some cases even Magistrates are suspected in such matters?

Raja Ghazanfar Ali Khan: Sir, I would not like to waste my time in answering that argument of my friend. All I can say is this. Even when there is a riot between two parties in a village, one of the parties, who is generally in the wrong, sends telegrams to higher officers just as a safeguard . . . .

Colonel J. D. Crawford: May I recommend to the Honourable Member to read the Central Committee's Report on the subject?

Raja Ghazanfar Ali Khan: Sir, I attach more importance to the Indian Sandhurst Committee's Report than to the Central Committee's Report. I personally do not share the views expressed by Dr. Moonje, as far as the military policy in India is concerned. I think it would be

entirely wrong if the Government of India were to determine their military policy by counting of heads and the number of rifles at seven lakhs and two lakhs on the frontier. Sir, this is a much larger and more important question, and I personally think that the size and number of the Army maintained in India is not at all larger than is required for this country, and therefore I am not one of those who would plead for the reduction of the Army. What I do maintain is that the number of British troops kept in India is far larger than is really required. I have not the slightest hesitation in saying that the Government of India can absolutely depend upon their Indian soldiers and officers to serve when the opportunity arises with the same amount of efficiency as they can possibly expect from British soldiers. For instance, I may refer to the interview given by Commander Kenworthy the other day, what does he say? He says that his experience of the regiments in the Indian States is that they are as efficient as any army in any country, although they do not possess any British soldiers . . . .

Sir Hugh Cocke (Bombay: European): How did he find it out?

Raja Ghazanfar Ali Khan: By personal experience. (*An Honourable Member* from the European Group: "Experience of six weeks!")

Then, Sir, turning to the third annual discussion of the Sandhurst Committee's Report, I am a little bit surprised to see that my friend Mr. Matin Chaudhury has used the word "inaction" in relation to the Sandhurst report.

Mr. M. A. Jinnah: It is a polite way of putting it.

Raja Ghazanfar Ali Khan: If by inaction he means that the Government have not been playing about with the Report and sending the files here and there, then he is entirely wrong. If he has got any suspicions on the point, I may be permitted to read only a few lines from the speech which the Army Secretary made in 1928, wherein he says that:

> "When the Committee's proposals were received by us, the first thing that happened was they were referred to the principal Staff Officers. Then they submitted their memorandum to the Government of India, who again, in their turn, considered all the proposals most carefully. They eventually forwarded their recommendations to the Secretary of State. Their recommendations, together with the reports of the debates that took place in the House last September, were considered at length by the Secretary of State in Council and were approved. The Secretary of State forwarded them to His Majesty's Government, which were again forwarded to the Cabinet, assisted by the highest military advisers of the Empire. They considered these proposals and submitted their recommendations to the Cabinet. In the end His Majesty's Government sent out to us their concurrence."

So, Sir, after doing all this, you cannot blame the Government for inaction. If by "inaction" he means that the Government have not put into practice any of the recommendations of the Sandhurst Committee's Report, well, I think he is again wrong, because they have positively rejected at least 80 per cent. of the recommendations of the Sandhurst Committee and therefore you cannot blame them for inaction. (Laughter.)

Sir, if I may be permitted to refer for a moment to the terms of reference of the Sandhurst Committee, the House will observe that they were divided into four classes, (*a*) by what means it may be possible to

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improve upon the present supply of Indian Cadets, both in regard to numbers and quality, and (*b*) whether it is desirable and practicable to establish a military college in India to train Indians for the commissioned ranks of the Indian Army, (*c*) and (*d*) relate to (*b*) because they say, "If the answer to (*b*) is in the affirmative, then this should be done and that should be done". So really speaking, the Sandhurst Committee had to deal with only two terms of reference, one was how to get an increased number of candidates for King's Commissions, and secondly the desirability of establishing an Indian Sandhurst. Now, Sir, reading in one of the papers the speech made by His Excellency the Commander-in-Chief in the Council of State the other day, I found that His Excellency is reported to have said this, " We are, in the year 1930, and according to the recommendation of the Sandhurst Committee, the Sandhurst College is to be established in 1933". He further adds, "Provided the Sandhurst College is unable to accept the number of Indian candidates we want to send," and so on. In other words, according to His Excellency's speech, really these two distinct terms of reference to the Sandhurst Committee are put together, though really speaking they are absolutely separate. The question of the English Sandhurst being able to accommodate Indian candidates has got nothing to do with the second term of reference to the Committee, but quite independent of that question, the Committee recommends that an Indian Sandhurst should be established in 1933. Now, Sir, it is highly disappointing to find that the Government of India have not even decided to establish an Indian Sandhurst in 1933. Therefore, it is obvious from this that, so far as this term of reference is concerned, the Government of India have absolutely declined to do anything in the matter.

Then we come to the first term of reference, that is the desirability of getting more Indians to come forward to accept the King's Commissions in the Army. Here the recommendations of the Committee can be divided into three parts, No. 1 to take in 20 Indians, and No. 2 to increase their number progressively in such a way that their number should reach 50 per cent. at the end of 25 years, and (3) to adopt such means as would encourage suitable Indian young men to adopt the military career. Now, what have the Government of India done with regard to this? They have accepted the first recommendation; they have agreed to take 20 candidates every year, but then they do not agree to increase the number annually in accordance with the suggestion of the Sandhurst Committee. Secondly, instead of adopting such means as would encourage suitable young men to join the military line, they have, by insisting upon the continuation of the eight unit scheme, positively devised a means which would discourage the proper stuff in India to come forward and take a military career. There is absolutely no justification for this scheme, and I can assure the Government, whatever reasons they may give to the Indian young men who are actually in service, and who belong to the eight unit scheme, they are extremely dissatisfied, and they think it is great racial distinction. Now, it has been said that, while British officers of the civil departments are willing to work under Indian officers, naturally they should have no compunction in serving under Indian officers in the Army. But the fact remains that they do not want to serve under Indian officers. What does it show? There is

very strict discipline in the Army, and the British young men are not prepared to undergo that strict discipline and then serve under Indian officers. In the civil departments, the discipline is not so very stringent, and therefore they can pull on even if the superior officer happens to be an Indian. As regards the appointment of Indian commissioned officers to the King's Commission, I think this is a very important matter, provided the Government would always restrict their choice to the young Indian commissioned officers.

Before I conclude my remarks, I would like to point out to the Government that a Resolution was passed by the Legislative Assembly on March 28th, 1921, where they recommended that the general rule, in selecting candidates for training in Sandhurst, should be that the large majority of the selections should be from communities which furnish recruits, and as far as possible in proportion to the numbers in which they furnish such recruits. I want the Army Secretary to tell me whether, in making selections, they keep in view this recommendation of the Legislative Assembly or not. If they do not, will he explain why the Army Department do not keep this recommendation in view?

Now, Sir, I come to a comparatively minor point, which does not relate to the Sandhurst Committee Report, but concerns a matter of local importance and interest, about which I have tabled a separate motion. I had better speak on it in connection with this cut. This concerns one of the nation-building branches of the Army Department, that is horse breeding, an activity which is confined at present to three districts in the Punjab. I think the Members in this House would be interested to know that more than a crore of rupees is annually spent on purchase of horses for the country from Australia. About 30 or 35 years back, the military authorities decided to devise means by which they would encourage country-bred horses, so that they might dispense with Australian horses. With this object in view, they devised a scheme. Anybody who would bring to them an approved mare, would be given a certain portion of land. He shall maintain that mare and the Government will have the first right on the sale of the colts. This scheme has been working for the last 35 years satisfactorily, with the result that now, most of the supplies of the Army can be obtained locally, and so the money, which used to go out to a foreign country, now remains in India. For the last four or five years those people have been put to extreme difficulties and very unfair treatment. The most unfortunate thing is that the officers in that Department seem to be non-transferable. I can quote the name of an officer who has remained there for more than 20 years, and in spite of the fact that the people are extremely dissatisfied with his behaviour, the Government have not transferred him.

An Honourable Member: Has he misbehaved?

Raja Ghazanfar Ali Khan: I would not hesitate to call it misbehaviour. I can give you an instance. A gazetted officer of another Department was passing along the road and this officer crossed him. This Indian officer did not salute him and he reported to the higher officers immediately that, "This gazetted officer passed me and did not salute me". (*An Honourable Member*: "Shame.") Now, with a man of that type, how can you expect him to be in sympathy with these small petty zamindars, who have sold their own houses and gone out of their native place to settle in this

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new colony? These are very loyal people. I am talking of that part of the country where people think that, even reading a newspaper amounts to defying law and order, and they are so loyal that they would not read a daily paper even.

An Honourable Member: Even the *Pioneer*!

Raja Ghanzanfar Ali Khan: Even the *Civil and Military Gazette*. During the last year and a half, they have become so impatient that they have started holding meetings, and inviting leaders from outside to help them. If the Government really want to avoid trouble, which I think is bound to come, they had better meet their very modest demands and the Government may not appoint a regular committee, but hold an inquiry into the various allegations which are common. Two years ago I had sent a motion of this nature, and the Army Secretary had assured me that, if I did not move that motion, he would look into this matter.

Mr. G. M. Young: I did not say anything of the sort. We did hold an inquiry into the matter, but there was no stipulation on my part about my Honourable friend not moving his motion. There was not the slightest objection to his moving his motion. We held an inquiry two years ago, and I sent to my Honourable friend the full results of that inquiry, in which practically all the allegations which he brought forward were entirely disproved. I have not heard anything since from my Honourable friend from that day to this.

Raja Ghazanfar Ali Khan: Now, Sir, what was that inquiry? How was that inquiry conducted? The Army Secretary and an officer of the Remount Department constituted that Committee. I am not surprised in the least that they reported that all the allegations were baseless. They are the very people whose conduct had to be inquired into and I do not believe all that they say. On the other hand, I can still challenge the Government that, if they appoint an Indian or, I would not insist on an Indian, even if they appoint a European civil officer who is unprejudiced and ask him to inquire into these things, they will be thoroughly convinced that my allegations are perfectly true.

The Assembly then adjourned for Lunch till Ten Minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Ten Minutes to Three of the Clock, Mr. President in the Chair.

Colonel J. D. Crawford: Sir, the debate can be divided into two phases —one, the question of the retrenchment of military expenditure and the other, the question of an Indian Sandhurst. I propose to take up the question of retrenchment first. The Army, as the House knows, is divided for military purposes into three parts, the field army, the covering troops, and internal security. My friend, Dr. Moonje, gave us what was his opinion of the military situation beyond our frontiers, and pleaded that, at the moment, it was such as to enable us to take some risks towards the reduction of our troops. I do not think that you can run your defence on the

particular situation at any particular moment. I do not think the field army, which we maintain, is actually adequate to do more than repel the first dash of an attack upon India. It would, in the long run, have to be very materially increased to enable us to cope successfully with any attack beyond our borders.

On the question of the covering troops, I think there is something to be said. We have undertaken a policy along our North-West Frontier, amongst our border tribes which has cost the Indian taxpayer no little sum of money. From the reports that reach us, that policy is at last proving successful. We are bringing our border tribes towards peace and to decent methods of living, and I think the taxpayer has a right to ask Government to what extent the pursuance of that policy has enabled them to consider a reduction in covering troops.

On the third question of internal security, there are two points which I would like to emphasise before the House. Dr. Moonje, I know—at least I hope so—is doing a great deal to settle one of those troubles in India which are a factor in the size of the Army that you have to maintain for internal security. I think the heckling on the part of the Opposition of my Honourable friend, Sir Abdul Qaiyum, has proved this, that he was prepared to take you in this debate into actual realities. At times we do not face realities, and that is our difficulty in solving our military problem. Communal trouble is a grave reality, and whilst Mr. Aney may give us some idea as to how he would settle that very difficult problem, I felt that he was rather taking the role of a fretful wife who looks to a husband (the Government of India) and blames him for everything that happens, whether right or wrong. There is a duty for him and for all of us here to remove the beams that are in our own eyes before we try to remove the motes in the Government's eyes. That is our duty all along. That is our great problem, our difficult problem, and one, which, if we can settle it amongst ourselves, is likely to bring Dominion Status many years nearer and reduce military expenditure much quicker than it would otherwise be possible. And that is not the only danger to internal security. We have today those in this country who are definitely set on a revolutionary purpose, and it was a great surprise to me to see that some Members of this House are prepared to back such a movement. I find it difficult to understand how my friend Mr. B. Das finds it compatible with his oath of allegiance to make remarks such as he did this morning.

Mr. B. Das (Orissa Division: Non-Muhammadan): I quite stand by them.

Colonel J. D. Crawford: You stand by them and also by your oath of allegiance; your conscience is very wide. Sir, those are the actual facts in the situation, facts which may be very very dangerous to India. Under those circumstances it is undoubtedly difficult for us to press upon Government retrenchment in its internal security measures. I might be inclined to do so, if we could get this House to support the Government in taking measures that would free India from any danger from those directions.

Diwan Chaman Lall (West Punjab: Non-Muhammadan): I do not want to interrupt the Honourable Member, but I would like to ask him whether it is his opinion that the size of the Indian Army is dependent upon internal security alone and upon no other factor.

Colonel J. D. Crawford: I have taken the three divisions of army responsibility, field army, covering troops and internal security. I have said that the field army, to my mind, is only adequate at the moment for its purpose, but were a war to come on, the field army would have to be materially increased in order to defend India. As regards the covering troops, I have offered a suggestion to Government that they should let us know how far the policy, the excellent policy they have been pursuing on the North-West Frontier, will enable them to reduce the number of troops that must be maintained under the head, covering troops.

3 P.M.

Nawab Sir Sahibzada Abdul Qaiyum: They will have to incur expenses in some other way.

Colonel J. D. Crawford: As regards the internal security, I say there are two great factors, there are two great difficulties menacing us, one amongst ourselves and one in revolutionaries and men who are not in my mind amenable to any reason. That is the reason why you cannot at the moment reduce your internal security troops. My Honourable friend Raja Ghazanfar Ali Khan dwelt on the question of the maintenance of British troops. I have often read in the extremist papers praise for British troops whenever they have been called in in connection with communal riots. They get that praise because the general public know that they are not participants in any of our own disputes and they take confidence accordingly. You cannot replace them until you can find equally neutral men fit to take their position.

My Honourable friend, Captain Hira Singh, made an appeal to the House to remember what the Indian soldier has done for India. Who was it who won first for India the declaration of 1917? Those men who by co-operation, and by giving their lives, won that well deserved recognition for India. (Hear, hear.) There is very little recognition of that fact on the Benches opposite. It gives, to my mind, a lesson well worth remembering that whole-hearted co-operation brings with it, more rapidly than any other means, adequate reward.

While on the question of retrenchment, there is one other question I should like to ask the Government. To what extent has the development of your Royal Air Force and the development of mechanisation led to the possibility of retrenchment in some way or other? It seems to me that the development of these two things might and must, in the future, lead to some reduction in the strength of our Standing Army in so far as numbers are concerned, and yet I wonder if mechanisation is going to lead us to a cheaper Army, or is constant replacement of mechanical equipment going to be as expensive as are the old conditions? When you come to retrenchment, I think we have got to recognise that Government have done a good deal. When the House came to the arrangement that the Army should have a definite figure over a period of years and should make within itself economies to provide itself with equipment, we saved ourselves a good number of crores of rupees on account of replacement of equipment. I think we should acknowledge the work that the Army has done within itself, in being able to make economies that enabled it to carry the burden of properly equipping our men. I do wish the House would remember that. I have been a soldier myself on the frontier in the war, and we have had to go into the war not properly equipped. The Mesopotamian

campaign should have been fresh in the minds of many Honourable Members here, when the Indian Army was sent to the war absolutely inadequately equipped.

Dr. B. S. Moonje: In spite of the many crores that are spent, you went unequipped.

Colonel J. D. Crawford: I do think that Honourable Members opposite should not ask their countrymen to fight without every possible mechanical aid that it is possible to give them.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): Is the Indian Army to be equipped to fight in any part of the world?

Colonel J. D. Crawford: There is one other point I should like to mention at the moment, and that is the statement made by my Honourable friend Raja Ghazanfar Ali Khan. The point that I want to make, about his statement, is that we cannot hope to get to the bottom of this problem if we take as facts things that are not facts. Commander Kenworthy, as the Honourable Member reminded us, has issued a statement on the splendid fitness of the Indian State troops. Now, I am not one who is going to deny the wonderful service that Indian States rendered during the war, nor the fineness of the material that forms their troops, but we must remember that, when it actually came to fighting, the lack of education given to their officers and the method of appointing their officers was such as to make those battalions very nearly useless until they had been provided with fully trained officers. That is a fact, and it is no use shutting our eyes to it.

Raja Ghazanfar Ali Khan: May I remind the Honourable Member, Colonel Crawford, that I did not base my opinion on Commander Kenworthy's interview but on the speeches made by His Excellency the Commander-in-Chief and by His Excellency the Viceroy since the War about the Indian States? (Hear, hear.)

Colonel J. D. Crawford: I can but tell the House, and I believe that the House want to know, and ought to know, what are the real facts, if you do not know the real facts it is not possible to build correctly.

Mr. M. A. Jinnah: You do!

Colonel J. D. Crawford: I now pass on to the question of the Skeen Committee's Report. The House are aware that I was one of those who did not believe in that Report, because that Committee set out to accomplish its task, in what I believe was the wrong way. They set out to Indianise what they called the higher ranks in the Army, and I submit that you cannot have two classes of Indian officers. You will have to start to reorganise on the same basis as the British battalions. All your officers should be put in the same class, and should start life as platoon commanders and rise from that to full command of a battalion. Those are the lines upon which I believe the problem should be tackled. I keep telling the House —they may laugh at me, when I say it—that 18 officers in an Indian battalion today are Indians. They may be uneducated men, they may not know how to read or write. I quite agree that it has been very difficult for them to carry on. They have all been gallant and they serve their particular purpose so long as you have British officers in India. These officers serve

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as go-betweens between the British officers and the rank and file. But lack of education and lack of training do not fit them to fill to the full the duties of an officer. Altogether, apart from politics, the Army today finds that the training of these men is not up to modern requirements. What have they done? The Army have established a school today for the training of those officers, and I believe those are the lines and that is the way in which we should proceed—a military school and a military college for the training of our officers in India.

Sir Hari Singh Gour: Are they merely to be go-betweens and not officers?

Colonel J. D. Crawford: I see no reason why these men should be go-betweens any longer when the whole Army is Indianised.

Mr. M. A. Jinnah: But when will that be? How long will it take?

Colonel J. D. Crawford: My Honourable friend is aware that it takes an ordinary officer to rise from the position of platoon commander to commanding officer 26 years.

Diwan Chaman Lall: How long did it take during the war?

Colonel J. D. Crawford: That is a question which is very often asked. How long did it take during the war? It shows how very little some of the Honourable Members realise what was the position in the war.

Diwan Chaman Lall: How long did it take you?

Colonel J. D. Crawford: The war in France was a static war. If you had been there, Mr. Chaman Lall . . . . .

Mr. President: Order, order.

Colonel J. D. Crawford: If the Honourable Member had been there, he would have understood that the people commanding were the staff who issued minute orders and minute details in writing as to everything that was to be done from minute to minute, and that a battalion commander, therefore had not the same responsibility even as a platoon commander in open warfare.

Diwan Chaman Lall: It was the biggest war.

Mr. M. S. Aney: Is the efficiency of a commanding officer tested more during war time or during peace time?

Colonel J. D. Crawford: War time, of course.

Diwan Chaman Lall: How long will it take during the war?

Colonel J. D. Crawford: You turn out in that period officers who, because they were so minutely instructed, did the work in an admirable condition.

Diwan Chaman Lall: How long?

Colonel J. D. Crawford: But they did not do it to my mind as efficiently as officers who had had longer training.

Diwan Chaman Lall: Will it take six months?

Nawab Sir Sahibzada Abdul Qaiyum: If you start a civil war, then you will be able to turn out a good Indian army in no time.

Colonel J. D. Crawford: The point is that we must remember that in training your regular Army you cannot adopt the method you are forced to do under war conditions. Now, so far as I understand the position, the Skeen Committee were really given a particular job, that was to advise Government as to how they could secure from India men suitable for Indian military service. My friend Dr. Moonje has done a good deal more to help that than possibly any other Member in this House. He has not ignored the desire to go on at the top, but he has dug in at the bottom. He has forced upon Government measures for the physical training, disciplining and education of our schoolboys that must lead to the building up of a national military spirit; and I regretted, the other day, when he took a further step, that the House considered it so unimportant as not to support him in a review of the work being done in that direction, and as to whether we could or could not make suggestions for improving or speeding it up. That is the type of work that is very valuable. He is today bringing pressure to bear on the Government to increase the Territorial forces set up mainly for that purpose of increasing the military spirit in India. I think Government could tell us whether our existing establishment of 21,000 for the Territorial forces is filled, and whether there is room for expansion—I understand that in many of our schools there are boys today who want to join the Officers' Training Corps, but the strength of these units is limited—room for expansion there, scope for expansion so as to give more lads training of that nature, training which whether it leads to the Army or not is bound to be valuable to them throughout life.

Now, the Skeen Committee did make certain recommendations and the one that appealed to me most was that, unless the public understand that there is a real career being opened to men in the Army, you will not get the same or adequate numbers of recruits coming forward. That is a very reasonable argument, but I think, from what we know of what Government have done—the Honourable the Mover suggested that Government have done nothing—we can say that they have done something, and that we are today, judging from the figures my friend Dr. Moonje gave, getting to that position in which the supply of candidates exceeds the vacancies at our disposal. The more the supply of candidates increases, the greater the opportunity for setting up a military college in India. I have very real sympathy over that question. I cannot believe that you can make any real start in this subject if you have to send your men for training six thousand miles away. That is really a great obstacle. What I visualise is a training school from which we shall not only recruit from civil sources, but we shall recruit men from our rank and file, from Dehra Dun and from our King George's Schools and schools of that nature who would, and should, take up Dominion Commissions. I think this King's Commission, which Government have given, is definitely retarding our process of building up a Dominion Army. No other Dominion has the King's Commission. They have their own commissions, and that is what we should have here as a real basis and a sound foundation for the Dominion Army. By all means let your candidates, if they like—as they do in other Dominions—go in certain numbers to Sandhurst for service in the Imperial Army. I have no objection to their being placed on the same footing as the other Dominions.

Dr. B. S. Moonje: After self-government, it will be an Indian commission and not British.

Colonel J. D. Crawford: These are the lines upon which we should build and the commissions we issue should be Dominion Commissions.

Mr. M. A. Jinnah: What will that be?

Colonel J. D. Crawford: My Honourable friend Mr. Jinnah knows perfectly well what a Dominion Commission is.

Mr. M. A. Jinnah: No, I don't. What will be the position of an officer to whom you will give a Dominion Commission?

Sir Hari Singh Gour What will be his position *vis-a-vis* an officer holding the King's Commission?

Colonel J. D. Crawford: His position will be that of a full officer in the Indian or Dominion Army.

Mr. M. A. Jinnah: What does that mean?

Colonel J. D. Crawford: It gives him authority to command troops in India.

Mr. M. A. Jinnah: I will ask my Honourable friend to consult legal advisers about it before he expresses an opinion.

Colonel J. D. Crawford: My Honourable friend is of course a legal authority himself. My purpose is perfectly plain. If you have your Dominion Army here, you will have your own officers with your own commissions with authority to command that Army. That is, I believe, the correct method, and I hold that the grant of King's Commissions to all our men is definitely retarding the rate at which we can build up any Dominion Army.

I should like to make some suggestions here to Government. We who are laymen or outside the confidence of the military authorities, do not know what is the final goal to which you are moving, as regards defence. It seems to me that you cannot build your foundations until you have some idea as to what your final goal is. No architect builds his house until he has drawn it fully, and I believe that we are slipping along, building up here and there, without any real idea as to where we will go. One thing that is obvious to me is that you are intending to build up a Dominion Army. You started with eight units, and very shortly no doubt you will be expanding that number of units. What is going to be the final strength of the Indian Army and what are going to be its particular responsibilities? It seems to me that the time has nearly come when technical men, soldiers themselves, should face that problem and should give us some indication of what are the lines upon which you are building. I can perfectly well understand and sympathise with the desire of the House to get on with the job. I only have a technical disagreement with my friends on the Skeen Committee, because I believe that the basis upon which they were working was fundamentally wrong. It is becoming, as I said, necessary today that we should think of the large number of officers who are already in our Indian regiments and whose equipment is not suitable to fit them to modern requirements.

I think there is little more to be said, but I do plead with the House that they should recognise that something is being done and materially done, that we have made considerable advance along the lines upon which we are going; and I would ask them also, in discussing this problem, to remember the realities. Elected Members opposite have said that Indians have risen to very high positions under the Crown. All credit to them for having done so, but whilst you may make experiments and take some risks in all ordinary administrative spheres, when it comes to war, you cannot take risks which you cannot correct. You can correct a mistake in administration; you cannot correct it in battle; and unless we maintain in India an army capable of keeping off external aggression we shall never rise to a free India.

Mr. G. M. Young: Sir, this debate has fallen, as my Honourable friend, Colonel Crawford, has said, into two parts. That part of it which deals with general military policy has been restricted almost entirely to a discussion of military expenditure. The other part is the part, which came first in the motion, on the action, or, as the Honourable the Mover preferred to put it, inaction, of the Government of India on the Indian Sandhurst Committee's Report. I will take that part of it first. Not only the Honourable the Mover, but several Honourable Members, not only on this occasion but on previous occasions, have maintained that the Government have taken no action beyond entering into certain correspondence on the recommendations of that Committee. Now, as long as Honourable Members maintain that attitude in defiance of the facts, how can we reach any reasonable solution of the difficulty? How can we decide what is the next stage, when Honourable Members opposite do not admit the first step which has already been taken?

Mr. M. A. Jinnah: What is that?

Mr. G. M. Young: I will tell the Honourable Member. I believe he knows it already.

Mr. M. A. Jinnah: I would like to hear it today.

Mr. G. M. Young: The first step was to increase the number of vacancies at Sandhurst to 20 a year, and to open Woolwich and Cranwell to Indian cadets, with a view to their becoming King's Commissioned officers in the Engineers, Artillery and Air Force. I am perfectly aware that the Government of India knew, before they made that recommendation, that those 20 vacancies were the maximum which the Army Council were at that moment prepared to accept as a start. The Indian Sandhurst Committee were also aware of that fact, and that is no doubt why they fixed 20 as the figure to be taken at the beginning. Honourable Members may call that nothing. But an average of 20 cadets a year is sufficient to keep going an establishment of 500 officers. Honourable Members may say that that is not enough. But it is a start, there is no doubt; an establishment of 500 Indian King's Commissioned officers, whereas 12, or 15 years ago there was not one. Honourable Members then go on to say—at least I remember my Honourable friend, Mr. Jinnah, saying—that there are so many vacancies offered, and it will be a very distant date before they are increased. I rather fancy the date he named was Doomsday. As a matter of fact, we made it perfectly clear that this original expansion is only as a start. The Indian Sandhurst Committee then added what they called a suggested scheme for expansion as an appendix to their Report. There they laid down, in advance, the amount of expansion year by year. The

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Government of India said, "No, we cannot accept this time-table in advance; we must proceed upon established results". Now, Sir, what have the results been? My Honourable friend, Dr. Moonje, has called attention to the results of the last examination. Those results, I may say at once, are very promising. Until that examination, we had not had real competition; that is to say, no Indian candidate had ever qualified, and then failed to get a place because there were not enough vacancies. In the examination of last November, there were 69 candidates. My Honourable friend, Dr. Moonje, was perfectly right. There were 69 candidates who appeared for the examination. There were 59 who completed it. The other ten were examined by the Interview Board, and were told that they had not passed. In view of that fact, they did not complete the written examination. There is one other small figure of my Honourable friend's which requires correction. He said that there were four vacancies at Woolwich. As a matter of fact, there were six. Otherwise the figures are correct. Therefore, there were 69 candidates, of whom 20 have obtained vacancies in the cadet colleges. That is, as I said, the first time that there was competition. Speaking the other day, my Honourable friend, Mr. Jinnah, enlarged upon the desirability of getting good competition. He said, "If you have 500 candidates for 20 or 30 vacancies, that is good. If you have 1,500 candidates for 20 or 30 vacancies, that is better still; that will be getting good competition.". We have not got as far as that, but we are on our way.

Dr. B. S. Moonje: I think it is 18 vacancies that were available, and not 20.

Mr. G. M. Young: My Honourable friend is right again. I included in my figures two vacancies for the Royal Indian Marine, which were filled. Before leaving the question of the expansion of the vacancies, I should like to mention, that, not only is it the declared policy of the Government of India to expand those vacancies when the time arises, but that policy was quite recently reaffirmed by the Secretary of State in his answer to the question asked by Lieut. Commander Kenworthy.

I now turn to the question of establishing an Indian military college. There again, in answer to the same question, the Secretary of State said that the question of training Indians in India for the King's Commission was under his consideration. I have frequently stated in this House that the establishment of an Indian military college will come, when the number and quality of the candidates coming forward justifies it. You cannot start laying down a military college unless there is a certain minimum number of candidates. What that minimum will be, we do not know yet. We are working it out, and we are watching the results of the examination. When you get a steady flow of candidates, sufficient to start a military college, that will be the time to start a college.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): What is the minimum number, would the Honourable Member tell us?

Mr. G. M. Young: I think we can lay down the number when the time comes. It is not possible to say at the moment exactly what the minimum will be. But when the time comes, it can be settled. Honourable Members may say that we are not proceeding fast enough. We may not be

proceeding as fast as some Honourable Members would wish. That we accept, but we have our reasons for going slow. But they stultify the discussion when they say that we are doing nothing. My Honourable friend, Mr. Jinnah, drew a humorous picture the other day of myself hurrying with bricks and mortar towards the end of 1932. That seems to me rather an unconvincing argument. It is perfectly true that to build a large military college and equip, it will cost a good deal of money. But there is nothing to prevent one starting with a temporary building or a building which already exists. There is no need to take a decision four or five years in advance and say that then we will have a college. All I wish to maintain is that we have made a start in both these respects and that we are moving, and not stationary.

Now, I come to the one point on which it may fairly be said that the Government of India and His Majesty's Government have turned down the recommendations of the Indian Sandhurst Committee. That is, the so-called eight units system, the principle of Indianising by units instead of Indianising by individual posts within the units. My Honourable friend, the Mover of this motion, argued that Dominion Status involves the creation of a Dominion army, and that that cannot be raised in a moment. I quite agree with him that it cannot be raised in a moment. But it might surprise him to learn that the reason why we adopted the principle of the eight-units' system, instead of the recommendations of the Indian Sandhurst Committee, is that we are aiming at the creation of a Dominion army, which the recommendations of the Sandhurst Committee would not have achieved. The whole point of it is that you get Indian officers together in units, and get these units completely officered by Indians. By that means alone will you be able to make the experiment and discover whether it is a success or not. If we had proceeded on the plan recommended by the Indian Sandhurst Committee, and reversed Lord Rawlinson's scheme of the eight units, as I have said before in this House, by 1952 we should not be anywhere nearer knowing whether Indian officers can, unaided and unsupported by British officers, lead Indian troops, than we are today. By that time, you would have, it is true, half the officers of the Indian Army Indians; but they would have been distributed in exact proportion to the British officers throughout every unit in the Army. I do not know whether Honourable Members are aware of any army in the world that is officered on a plan of that kind; I personally have never heard of one. The eight units system was admittedly unpopular at the start. There is no doubt that those Indian officers who are in the Army—and there are still 36 of them in 28 units which are not Indianised units—disliked at the outset the eight units' scheme. That is a matter on which we keep a very close eye and we are satisfied that that prejudice is to some extent lessening, and Indians are beginning to take pride in having their own units, as we foresaw they would. We all knew that the plan would be unpopular at the start; but in our opinion it was necessary, and it is now less unpopular.

It has often been said, Sir, that the sole object of this measure was to prevent a deterioration in British recruitment. I have never denied that British recruitment would suffer if the recommendations of the Skeen Committee had been put into force. That was not the sole object, however, in forming the eight units scheme. Sir, the unpopularity of

the Indian Army among British recruits, which would have ensued if the Skeen Committee's recommendations had been accepted, has been attributed to racial arrogance, superiority complex, and all that sort of thing. As a matter of fact, Sir, it has nothing, so far as I know, to do with that. It is merely the natural desire of an officer to serve with his own kind. That very natural desire is not confined to British officers of the Indian Army; it exists all over the world. If Honourable Members will only look at realities, if they take up a copy of the Indian Army List today, and look, for instance, at the battalion that is stationed here in Delhi, the Gordon Highlandars, if they look at the officer establishment of the unit, they will find that the names are practically all Scottish. The same tendency is already to be found in our own Indianising units. We have had applications from members of one community or another to go to the unit which already contains the largest number of that community. There is no racial arrogance about it. There is no superiority complex about it. It is merely the natural desire of birds of a feather to flock together. That in itself will be a great help towards the efficiency of these units. The officers will be brother officers in more senses than one.

Sir, I now turn to the other division of this question, the retrenchment of military expenditure. We are almost tired of hearing that we have not given effect to the recommendations of the Inchcape Committee. We did give effect to them immediately, and reductions were effected which took us well below the figure recommended by the Inchcape Committee. It is quite true that a large portion of the reductions below that figure was due to the rise in exchange. We do not deny that, but the fact remains that we carried out the recommendations of the Inchcape Committee, and that our figure now is well below what that Committee recommended. Here again, we are not stationary; we are still moving. It has been suggested that the drop of 80 lakhs in military expenditure this year, in the budget year, is not a true saving. My Honourable friend, Dr. Moonje, produced figures to show that if the ultimate figure falls to Rs. 50 crores, there will be no real saving. But I think he loses count of the fact that, by taking the drop now, and increasing the period of stabilization, we are facilitating a larger drop at the end of it than would otherwise be possible. There was one Honourable Member today who said, that, though military expenditure might not be going up, at any rate it is not falling. He did not, use the formula that was used during the last few years, that military expenditure was going up by leaps and bounds. It is not doing that now, it is actually falling. It is relevant, Sir, to point out what His Excellency the Commander-in-Chief pointed out the other day in another place, about what other nations are doing. I hope I shall not be tiring the patience of the House if I read some of the figures of military expenditure of other nations. In France, including the expenditure on air forces, in 1922-23 it was £39 millions; it has risen steadily until, in 1929, it is £64·6 millions. Germany only began military expenditure again in 1924 with a figure of £22·5 millions, which has now reached approximately £32 millions—an increase of £10 millions. The United States of America,—who are taking a lead with Great Britain in the naval disarmament campaign—their figures are distinctly instructive. Their expenditure in 1923 was £51·7 millions; in 1928 it was £59·3 millions; for 1929-30 the figure is £61·7 millions. That represents army

expenditure only. The air force expenditure in the same period has risen from £2·76 millions to £7·2 millions: naval expenditure from £6·2 millions to £7·5 millions. Italy shows an increase from £18 millions in 1923 to £28·7 millions in 1929, but a decrease from £31·1 millions in 1928. At the same time, in air force expenditure, Italy has risen from £1·9 million to £7·6 millions; and in naval expenditure, from £6·1 millions to £13·3 millions. I come last to Russia. We have no figures for Russia before 1925, but Russian military expenditure in 1925, was £41·7 millions; now it is £84 millions, that is, the estimate for the ensuing year. We have often been told that Russian military expenditure is due to fear of Great Britain. These figures of course make that quite clear. Russia's expenditure has risen from £41·7 millions to £84 millions. Great Britain has reduced her expenditure from £51 millions to £40 millions, and India has reduced hers in the same period from Rs. 65 crores 26 lakhs to Rs. 54 crores and 35 lakhs.

Now, Sir, certain methods of retrenchment have been proposed by my Honourable friend, Pandit Hirday Nath Kunzru, in the general discussion on the Budget. He brought forward two specific proposals. In one he referred to the recommendation of the Inchcape Committee that the strength of Indian battalions should be reduced by, I think, 154 men. There was an immediate reduction of 64 men, and he asked if there had been any further reduction since then. He seemed rather pained at the idea that any further reduction could have been made without informing the House. As a matter of fact, a further reduction has taken place, consequent upon the reorganisation of battalions from a four-company to a three-company basis. I do not think, Sir, that it would be worth while troubling the Honourable Members of this House with these tactical details, but it is a fact that the strength of the Indian infantry battalions has been cut down by another 34 men. It is now 728, whereas it used to be 826 before the Inchcape recommendations. That, Sir, is the furthest limit to which, in the opinion of the military authorities at the present time, it would be wise to reduce a battalion from a tactical point of view.

Pandit Hirday Nath Kunzru: May I put a question to my Honourable friend? The Inchcape Committee recommended that the war strength of an Indian battalion should be 766; that is, it recommended that the strength should be reduced immediately from 826 to 766; and in addition to this it recommended that, after the formation of a proper infantry reserve, the peace strength should be 20 per cent. below the war strength; am I therefore correct in saying that we have to reduce not 826, but 766 by 20 per cent.?

Mr. G. M. Young: I have given the House the reductions that have been made in the light of the needs of the reorganisation. These are the reductions that have actually been made. Further reduction, even to the extent of 30 or 40 men, would not result in an economy sufficient to bridge the gap of Rs. 4½ crores, which was under discussion during the general discussion of the Budget. I hesitate to say exactly how much it would come to; but certainly it would not come to more than half a crore at the outside.

Another measure of retrenchment that has been suggested by my friend was the reduction of British troops. Sir, I have been in this House now for some years; and I have heard that suggestion occasionally put

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forward, but it has almost always been by way of interruption. The other day, towards the end of the general discussion on the Budget, my Honourable friend, the Leader of the Opposition, made a speech summarising the discussion, and dwelling at some length upon the necessity of reducing military expenditure. I may not have heard him correctly, but I do not think that he put forward that suggestion in the course of his speech. However, when the Finance Member rose to reply, and himself reached the question of the reduction of military expenditure, my Honourable friend called out from his seat, "Why don't you reduce two or three internal security battalions? I understand there are 28 of them". I have myself been subjected to similar interruptions, but I have never known this House discuss seriously the question of the reduction of British troops. I think that it is a problem of sufficient importance to merit something more than an interruption; and if Honourable Members wished it to be discussed on the floor of this House, surely they have had plenty of opportunities of doing so . . . . . .

Pandit Madan Mohan Malaviya: Has not attention been drawn many times to the desirability of reducing the internal security British troops?

Mr. G. M. Young: Yes, Sir; but almost always by way of interruption . . . . . .

Pandit Madan Mohan Malaviya: Not necessarily; in the course of debate also.

Mr. G. M. Young: Sometimes in the course of debate, but repeatedly by interruption; and never has it been discussed on a Resolution on the floor of this House.

Pandit Madan Mohan Malaviya: Will my Honourable friend give the reason why Government think that 28 battalions are maintained as internal security British troops and why they cannot be reduced?

Mr. G. M. Young: I think the answer to my Honourable friend's question was given by my Honourable friend, Sir Abdul Qaiyum, when he made his interruption.

An Honourable Member: Oh! On behalf of Government?

Mr. G. M. Young: He frankly said, as far as I understood him, that he did not wish a single soldier to be reduced.

Pandit Madan Mohan Malaviya: My Honourable friend complained just now that we did not discuss this matter seriously. Is he serious when he presents to us the remark of Sir Abdul Qaiyum on this point that not a single soldier can be reduced? Is he serious?

Mr. G. M. Young: I made no complaint at all. I merely said that the subject was one worthy of something more than an interruption, and I still say so.

My Honourable friend, Colonel Crawford, asked me one or two questions. He asked to what extent we might be able to reduce our covering troops as a result of our policy on the frontier. Of course that is a question that will be borne in mind. We have not come to any conclusion yet. We have only just reoccupied Wana, and I think it is hardly the time for a reduction just now. He also asked me to what extent the

development of our air force, and of mechanisation, has led to retrenchment in other directions. That, again, Sir, is a problem that is constantly kept in mind. But the Royal Air Force is now only at the strength which was originally recommended for it shortly after the war. We have since added two squadrons, which were originally recommended. As for mechanisation, it is by no means as yet complete; but as I say, these problems are constantly in our mind. He also asked us whether mechanisation will not land us in greater recurring charges than animal transport. That is not the opinion of our experts. The opinion of our experts is contained in the memorandum which I laid on the table in September 1928, and is that it will involve some slight reduction in recurring expenditure in peace time, and an enormous reductions in recurring expenditure in war.

I do not think, Sir, I have now anything more to say but this. The motion before the House is not a token cut. It is a motion for the reduction of the Army Department grant to one rupee. There will be two direct effects of this motion, if it is carried. The first is that it will throw out of employment a very large body of Indian Government servants and only a few European Government servants. (*An Honourable Member*: "That is non-votable.") The second effect of this reduction would be to deprive this Honourable House of its only means of criticising and keeping control, such as it is, (Laughter), over military expenditure. I do not know if the Honourable Members who vote for this motion will do it with either of those two objects in mind, or if they will be doing it in anticipation of the grant being restored by His Excellency the Governor General.

Mr. M. A. Jinnah: Sir, I think this House deserves congratulations that we have had at last some statement from the Department which the Honourable Member represents and which takes away something like 54 or 55 crores to keep it up. It is a most extraordinary position in this House, that this is the first opportunity we have of hearing anything about what the Honourable Member has done in the course of the official year and why the expenditure is necessary and so on and so forth. Sir, it was the ordinary practice of this House that the Commander-in-Chief, who is the Member-in-charge of this Department, usually made a statement at least in the course of general discussion on the Budget. The last of such statements was made, I believe, in 1928, and on that occasion his statement was a detailed statement, and further he gave us information as to what the Government were doing, what their policy was, what their programme was, how they were spending money and so on. But, Sir, it happened to be the duty of some of us here ruthlessly to criticise, not the Commander-in-Chief as such, but the Member-in-charge of that Department speaking on behalf of the Government of India, and it seems that, since then, the Member-in-charge of that Department is no more here. That date marks his exit from the floor of this House. Now, Sir, I want to know who is the Member-in-charge? If the Commander-in-Chief thinks that this House is not worthy of him to sit in his uniform as the Field-Marshal, I want to know who is the Member-in-charge on behalf of the Government of India who is accountable to this House, and who can, with some responsibility and with some authority, make any statement with regard to the policy of the Government of India. Nobody. Of course, we have got the Army Secretary here. I have a great personal regard for my friend, Mr. Mackworth Young. But, Sir, I

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hope he will not follow his Chief and leave this House if I criticise him, because I shall certainly miss him, because I think he is the finest Secretary that could be put forward to evade every question, to draw red herrings across our path and mislead this House in every way he can. But what is his position? Where does he stand? What can he speak? You might as well—I say with great respect to him personally—you might as well put there a clerk who will read out whatever he is told to read out to this House to the best of his abilities. Is this the way you are going to treat this House? Because the Commander-in-Chief is not here, we have nobody here on behalf of the Government of India in charge of this Department to meet us on the floor of this House. I pity the poor Secretary, who has only got to carry out the orders and instructions issued to him. Is he responsible for the policy? Can he put forward the policy? No. Well, Sir, I think it has been repeatedly said before, and I do ask the Government of India carefully to consider this extraordinary position. This Army Department, which takes away not only 54 or 55 crores of rupees a year of the total revenue of this country to spend as they like, but which is also responsible for the military policy in this country has no responsible member to represent it in this House? Of course, my friend, Mr. Young, is very clever. When he meets some arguments to reduce the British troops, to make this reduction here or retrenchment there, the answer is: "Oh, well, we cannot endanger the safety and the security of India. This is absolutely necessary," and so on. Now, Sir, that is an expert opinion behind him. I cannot, nor can any Honourable Member who is not acquainted with the technique and the strategic point of view, possibly challenge an opinion from that side that the strength of or the composition of the Army is absolutely essential. But why do you misrepresent the position that we take up? The position that we take up is, not that you should reduce the Army so as to endanger the safety of India with regard to either the internal security or the external aggression, I for one, Sir, standing in this place have never said that you should reduce the Army by a single soldier which will endanger the safety of India. That has never been my point, and I do not think that is the point in the mind of any Honourable Member in impressing upon the Army authorities the necessity of effecting retrenchment or reduction. But says the Secretary: "You ask us to reduce the British troops. Why don't you table a Resolution?" Surely, Mr. Young knows why. What will be the answer of Mr. Young? He will ask, "What will you substitute for it?" Naturally, would you not put that question? And what is the substitute that I can offer? You will then say, "You are on the horns of a dilemma. You wanted to take away the British troops, but what is the substitute you can offer?" I say I cannot offer a substitute,—how can I? That is just, Sir, how Mr. Young can very well ask us, "Why don't you raise the question by way of a Resolution?" Sir, Government understand perfectly well why we don't raise that question. Our point is this, that you will never be able to get rid of this garrison,—the Indian Army, composed both of British troops and Indian troops as it is constituted at present is a garrison,—you will never be able to get rid of this garrison so long as you have not got materials ready to make the Army a national army. Now, that is the policy, and that is the programme which I want the Government of India honestly to follow. Do you wish to nationalise the Indian Army or you do not? Then

you will ask me, "How are we to do it?" Well, if you do not know it, I have repeatedly told you, and I shall repeat it again, that as long as we have not got a sufficient number of Indian officer ranks, it is not possible for us to nationalise the Indian Army, and I think Mr. Young will honestly admit that, if not on the floor of this House, at least in the lobby. How can you nationalise an army? Because Mr. Young knows perfectly well, and I think Colonel Crawford ought to know it,—that it is impossible to nationalise your Army unless you have got your officer ranks. That is exactly the first step, the fundamental step, on which we have concentrated; and not only have we concentrated, but even Lord Rawlinson concentrated on it. Why? Even the Government of India realise it, and they have, by implication, if not expressly, admitted that the first thing to do is to Indianise the officer ranks. Sir, officers, I admit, cannot be made to order. A certain amount of training is necessary; but of course, my friend, Colonel Crawford, went much further. According to his argument and his conclusion, it comes to this, that you can only make officers quickly if there is a civil war or revolution in the country. If he wants to wait for that, he might get it; but don't wait for that . . . . .

Colonel J. D. Crawford: I should like to point out, Sir, that I said that officers were made during the Great War because they were under much greater control than the regular officers whom you require for the regular Army.

Mr. M. A. Jinnah: No, Sir. Your statement was quite correct that officers are made by a revolution, by actual war, whether it is civil or international. It is a perfectly sound proposition, according to Colonel Crawford. But do you want to try that method? Probably, if there had not been a revolution in France, Napoleon would never have been heard of. It was the revolution that made Napoleon, and there are many Napoleons probably in embryo in India, who may come forward and even excel your Commander-in-Chief. Are we going to try that method? We want constitutional evolution. That is why I am standing on the floor of this House. Do you want to follow this policy honestly or do you not? Do you want the officer ranks of the Indian Army to be Indianised, or to you not? That is the whole question, and until you recognise that and nationalise your Army, and get a second line of defence, it is no use my tabling a Resolution and asking you to reduce white troops or black troops.

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Now, who is responsible to this House? Who cares for the opinion of this House? Here is a question put in the House of Commons by Commander Kenworthy. He said the matter was causing uneasiness among Britain's best friends in India, and asked for an assurance of sympathetic consideration. Mr. Benn replied that he was ready to consider the extension of the scheme of Indianising the eight units in the Army as soon as the Government of India felt justified in recommending it on the results achieved. Well, have you done that? Why have you not done that? We in India are in this position. There is the Army Secretary, there is the Commander-in-Chief, there is the Governor General in Council, there is the Secretary of State for India, the British Cabinet, the Imperial General Staff and the Imperial Defence Committee, and after all these bodies, who were referred to by my friend, Raja Ghazanfar Ali Khan, had been consulted, before His Excellency the Commander-in-Chief made that so-called "satisfactory" announcement on the 8th March,

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1928, after digesting the Report of Sandhurst Committee for nearly two years. Between these bodies and authorities one does not know where India stands. Naturally Mr. Young feels that he has got this bad and rotten case to defend. He does his best and jogs along as best he can. What does he say about the Sandhurst Committee's Report? He says it is not right to say that we have not accepted any of the recommendations of the Sandhurst Committee. Strictly, technically, perhaps he is right, because the recommendation of the Sandhurst Committee was that the number should be doubled in the first year. My friend asks, "Have we not done that?" Well, Sir, I am surprised that a responsible Member, sitting on the Treasury Bench, should talk in this fashion. I ask, is that the recommendation, or the only recommendation, of the Sandhurst Committee? We asked you to give us bread and you are giving us stones. The very foundation of the recommendations of the Sandhurst Committee was the establishment of a Sandhurst in India. What other recommendation of the Sandhurst Committee have you carried out? Have you carried out this recommendation to double the number of vacancies up to now? You have not. Why have you not? The Honourable Member says, "Oh, we cannot get suitable candidates". Why not? You say, "They are not forthcoming". When a responsible Member comes here and says that he cannot get 20 or 24 or 27 suitable candidates for Sandhurst, I refuse to believe it. I say there is something rotten in your system. You know that is the testimony of no less an authority than Sir Malcolm Hailey, who is not always favourably inclined towards India. If you have got eyes to see, look at the cricket fields. Why is it that you are not getting these candidates? There are reasons and you are responsible for them. You proceed in this matter in such a way that, instead of encouraging the people to put their heart into it, instead of bucking them up, you start in a manner which throws a damper on them. Take the eight unit system. Every British officer, be it said to his credit, who appeared before the Sandhurst Committee, emphatically condemned the eight unit scheme, and equally and naturally more emphatically every Indian officer who held the King's Commission, who was examined before the Sandhurst Committee, opposed it. The reason is an obvious one. It means this, that under this scheme an Indian would never command a British officer. When you tell this to an Indian boy, it chills him. It does not encourage him. It makes him feel, "What is the good of going into this business?" Mr. Young says, "By Indianising these eight units, you will get an officer who will be in charge of the regiments in 22 or 23 years." Does he suggest that otherwise it will take 100 years?

Mr. G. M. Young: Perhaps my Honourable friend will allow me to correct that statement. I did not say that. What I said was that, by this system, you will get a regiment officered entirely by Indians in approximately that time, which you would not get under the Skeen Committee's scheme.

Mr. M. A. Jinnah: What is the idea of that? Why don't you have the entire Treasury Bench composed of Indians or a portion of it by means of an eight unit scheme of segregation? What is the use of putting forward these arguments? Why don't you confess it? Why don't you honestly say that you do not want an Indian officer to command over a British officer? I assure you it will be much better for you to say that.

Do not try to mislead us, because it will not serve any good purpose at all. Now, it was a very important recommendation that the eight unit scheme should be given up. Has that been accepted by the Government? No, it has not been accepted. Even today what do we hear? In this connection I would like to quote from the speech of the Commander-in-Chief. Of late, he has taken to making statements in another place, and this is what he said there, while referring to the Establishment of a Sandhurst and the abolition of the eight unit scheme:

"The former was recommended to be established only in 1933. Government did not feel confident that the cadets coming forward for an Indian Sandhurst could be relied upon for being sufficient either in quality or in quantity to justify Government undertaking the heavy expenditure involved in the immediate creation of a Sandhurst in India."

Now, Sir, who says that we want a Sandhurst to be established immediately? It is quite clear and it is understood that the Sandhurst is to be established in 1933. It is also quite clear and understood that the number is to be increased gradually, and if you follow the recommendations of the Sandhurst Committee, which I have always described as interdependent or interwoven, you will find that they are intended, to a very great extent, to spur on the recruitment and to encourage it. If you take it as a whole and whole-heartedly support it, and not talk too much of the time-table, referred to in the Sandhurst Report—as if the Government of India were the only authority in whom the entire wisdom was centred—the difficulty will soon be solved. We are told over and over again that it is difficult to follow the time-table. If you cannot accomplish it, no crime will be committed. But why don't you accept it? Say that we do accept the time-table, and we will do our best to accomplish it. Supposing you do not succeed in it, what will happen? Will the heavens fall? Why are you then quibbling? Why don't you frankly say that we do accept this and we will do our best and carry out this programme as it is recommended by the Sandhurst Committee. We will go on increasing the number. Of course, if you do not get the candidates, it is no fault of yours. Then you should explain to us why you cannot get them. But why don't you endorse it? Why do you hesitate? That is what I cannot understand. That shows that you do not want to encourage the recruitment, and that your continuation of the eight unit scheme is a damper and is certainly against the entire sentiment of the Indian youth. You do not even admit that you will go on with the increase of the number according to the time-table. I will quote to the House what the Honourable Mr. Mackworth Young said on the last occasion. But today he says that he is glad that the result of the last examination was more favourable. Why do you want it to be forced step by step, and why do you want to be humiliated in this fashion? You know it perfectly well, that you can easily get 27 boys if you want to. This is what he said on the last occasion:

"What we cannot do is to prophesy that that event will take place in 1933." (*That is, the Sandhurst.*) "I have never been able to understand what Honourable Members want, nor how have we turned down, as they say, the recommendations of the Sandhurst Committee in this respect. We have started this year exactly the number of vacancies for Sandhurst which the Committee recommended. We have never up to this moment succeeded in obtaining the full number of candidates for the vacancies at Sandhurst. All we say is that we are not going to raise the number of our 20 above the initial recommendation of the Indian Sandhurst Committee until we get something like 20 candidates. The Committee, on the other hand, postulate 20 this year, 24 the next year, 27 the next year, and so on subject, of course, to suitable candidates being forthcoming."

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Why don't you accept it? Am I not justified in saying that the three main fundamental recommendations of the Sandhurst Committee are not accepted by the Government of India?

Now, let us take the subsidiary recommendations of the Sandhurst Committee. Have they been accepted? Have you done anything with regard to the physical training and drill? This House had to pass a Resolution, and I believe my friend Dr. Moonje brought in that Resolution. Until he brought in that Resolution, and that was in 1928, what did the Government do? Did they do anything? No. And what about the Resolution which we passed the other day here, namely, the co-ordination of other educational institutions, which should give training to the boys which would help them if they ever chose to take up a military career for themselves? My friend here, the Honourable the Secretary of the Education Department, told us many rosy things, but did he tell us what lead they did give, as recommended by the Committee since 1926? What about that? Nothing was said about it until that Resolution was brought up here. Then the Government, like a drowning man who catches at a straw, were willing to accept the amended Resolution of Colonel Crawford. What I say is this. There was no need for any Resolution. Government ought to have carried this out. If they told us that, in consequence of these recommendations, we have taken the following steps, and have achieved these results, then I would have thought that there was somebody there responsible to this House in charge of the Army Department. But you have not done that either.

May I ask frankly and honestly, which other important recommendation of the Sandhurst Committee you have endorsed? And yet, Sir, I am astonished. To my amazement I find that a man in the position of the Commander-in-Chief makes a statement in the other place, and says that we have given effect to every recommendation of the Sandhurst Committee, except the establishment of a Sandhurst and the scheme of eight units. Sir, if it had not been the Commander-in-Chief, if anybody else had made that statement, I would certainly have characterised it as a tissue of lies.

Sir, you are trifling with this question. What is the position? We started the inauguration of this policy in 1918, when for the first time in the history of India, you admitted the sons of the soil as eligible for the King's Commission. That was how many years ago? Twelve years ago. And what is the total number of Indian Commissioned officers today? It will be 107 in April this year. One-hundred and seven, out of how many? As many as 3,200 of officers' rank and yet, Sir, the Army Secretary stands here and says to me, "You may accuse me that we are not going fast." I say, you are proceeding in a most disgraceful manner, unworthy of any Government who honestly believe in their own declaration that you want to Indianise the officers' rank in India. Sir, on this subject, it is difficult to speak with restraint because of misrepresentations and misleading arguments that are advanced. And what are we told in this House, Sir? Is there a man—I venture to say, there is no man—who is not the well-wisher of the poor Indian soldiers? Has there ever been uttered a single word in this House against the poor Indian soldier, the sepoy who started his life on Rs. 7 a month in 1883, as the gallant Captain Hira Singh pointed out to us? Have we ever grudged them, have we ever grudged you, Captain Hira Singh, a fair treatment? What is the position of the poor Indian soldier in the Army? Yes, you are loyal, you give up your life for the salt that you eat, for the master that you serve. Whoever grudges you anything, so far as these Benches are concerned? And yet I know it is a wicked thing to do. I know it is represented that, whenever this House wants to cut down military expenditure, it is said that these representatives of yours in the Legislature are responsible for all the troubles of the Indian soldiers. We had heard my Honourable friend, Sir Abdul Qaiyum. I listened to his speech with great attention. His heart, Sir, is with us (Hear, hear), but his head is there (pointing to the Government Benches). (Laughter.) He consciously or otherwise reflected, as a mirror, the views and sentiments and feelings of the Treasury Benches which, after he had finished, rewarded him and gave a great deal of applause. There happens to be a common chord running between my Honourable friends on the Treasury Benches and my Honourable friend Sir Abdul Qaiyum.

Nawab Sir Sahibzada Abdul Qaiyum: I did not notice any applause.

Mr. M. A. Jinnah: But I did; because the Honourable Member was excited (Laughter), he did not notice. I am stating facts quite correctly. Although he was in great difficulty, and felt great pains and labour, he ultimately said, you should at least give effect to the recommendations of the Sandhurst Committee (Hear, hear and Laughter), because he had signed it. After all, it is his old love, notwithstanding the fact that, since he signed it, he feels that communal tension has grown much, which of course does not entitle him to ask for reforms in the North-West Frontier Province. I hope he will not ask for reforms for his province.

Nawab Sir Sahibzada Abdul Qaiyum: If Government will take back the reforms from the provinces which are worse than the North-West Frontier Province in many respects, then I shall not ask for them.

Mr. M. A. Jinnah: The Honourable Member is asking for them because other provinces ask for them.

Nawab Sir Sahibzada Abdul Qaiyum: Yes, because other people have them.

Mr. M. A. Jinnah: As I already said, my Honourable friend's heart is with us. That is enough for me, because he occupies a very difficult position. Well, I hope and trust that, when a division is taken, he will go with me into the lobby.

Nawab Sir Sahibzada Abdul Qaiyum: What will they do with one rupee? They cannot even disband the Army with it.

Mr. M. A. Jinnah: My Honourable friend is now immersed in the thought that, if we cut down this Army grant to only one rupee, as my Honourable friend Mr. Young pointed out, it will be only your countrymen who will suffer, not others. Well, what does it matter? After all, there is His Excellency the Governor General, who has the power to put right a matter, and he will do so. But apart from any frivolities, I do want you to understand that there is a very big constitutional issue involved in this vote. I know some Honourable Members will say, why practically reject the whole grant if you only want to pass a vote of censure on Government? Why don't you give a cut of Rs. 100 or Rs. 200? Well, Sir, a cut of Rs. 100 or Rs. 200 does not compel certification. I say that,

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from a constitutional point, it is the only way in which I can defeat the Government—it may be the fiction of a constitution—it is a fiction. In reality Government are irremovable, the Government are irresponsible, as you heard yesterday, in fact even the Honourable the Home Member admitted that you cannot do anything to them, they are a permanent fixture (Laughter), you can do nothing to them—I say that, in constitutional language, if I compel the Governor General to certify a grant, then in constitutional language, I have unequivocally defeated this Government, and if they have got any self-respect, they ought not to occupy those Benches. But here they will do so all the same. (Laughter.) That really is the position, and therefore I hope that my Honourable friend, Sir Abdul Qaiyum, will not hesitate on that score.

Nawab Sir Sahibzada Abdul Qaiyum: Hope against hope.

Mr. M. A. Jinnah: Then, I will sit down as hopeless, and I hope there are other countrymen of mine who will walk with me into the lobby and defeat the Government. (Applause.)

(Mr. President having stood up to put the question to the House.)

Mr. Arthur Moore (Bengal: European): Sir, I rise to a point of order. Is it in order for an Honourable Member of this House to refer to His Excellency the Commander-in-Chief's statement in another place and say it is a tissue of lies? The Honourable Member should make some withdrawal.

Mr. President: The question is:

"That the Demand under the head 'Army Department' be reduced to Re. 1."

The Assembly divided:

AYES—49.

Abdoola Haroon, Haji.
Abdul Matin Chaudhury, Maulvi.
Abdullah Haji Kasim, Khan Bahadur Haji.
Acharya, Mr. M. K.
Aney, Mr. M. S.
Ayyangar, Mr. K. V. Rangaswami.
Bhargava, Pandit Thakur Das.
Chaman Lall, Diwan.
Chetty, Mr. R. K. Shanmukham.
Das, Mr. B.
Dutt, Mr. Amar Nath.
Farookhi, Mr. Abdul Latif Saheb.
Ghazanfar Ali Khan, Raja.
Gour, Sir Hari Singh.
Gulab Singh, Sardar.
Haji, Mr. Sarabhai Nemchand.
Hyder, Dr. L. K.
Ismail Khan, Mr. Muhammad.
Iswar Saran, Munshi.
Javakar, Mr. M. R.
Jehangir, Sir Cowasji.
Jinnah, Mr. M. A.
Kelkar, Mr. N. C.
Kunzru, Pandit Hirday Nath.
Lal, Mr. Hari Prashad.
Lalchand Navalrai, Mr.
Malaviya, Pandit Madan Mohan.
Mitra, Mr. S. C.
Mody, Mr. H. P.
Moonje, Dr. B. S.
Mukhtar Singh, Mr.
Munshi, Mr. Jehangir K.
Murtuza Saheb Bahadur, Maulvi Sayyid.
Neogy, Mr. K. C.
Pandya, Mr. Vidya Sagar.
Patil, Rao Bahadur B. L.
Purshotamdas Thakurdas, Sir.
Rahimtulla, Mr. Fazal Ibrahim.
Rang Behari Lal, Lala.
Rao, Mr. G. Sarvotham.
Reddi, Mr. T. N. Ramakrishna.
Shafee Daoodi, Maulvi Mohammad.
Shah Nawaz, Mian Mohammad.
Singh, Kumar Rananjaya.
Singh, Mr. Gaya Prasad.
Sitaramaraju, Mr. B.
Talatuley, Mr. S. D.
Yakub, Maulvi Muhammad.
Zulfiqar Ali Khan, Sir.

NOES—44.

Abdul Aziz, Khan Bahadur Mian.
Abdul Qaiyum, Nawab Sir Sahibzada.
Alexander, Mr. W.
Banarji, Mr. Rajnarayan.
Baum, Mr. E. F.
Chatterjee, The Revd. J. C.
Coatman, Mr. J.
Cocke, Sir Hugh.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Crerar, The Honourable Sir James.
Crosthwaite, Mr. H. S.
Dalal, Dr. R. D.
Ferrers, Mr. V. M.
French, Mr. J. C.
Gidney, Lieut.-Colonel H. A. J.
Gwynne, Mr. C. W.
Hamilton, Mr. K. L. B.
Heathcote, Mr. L. V.
Hira Singh, Brar, Sardar Bahadur, Honorary Captain.
Howell, Mr. E. B.
Jawahar Singh, Sardar Bahadur Sardar.
Kikabhai Premchand, Mr.
Lindsay, Sir Darcy.
Mitra, The Honourable Sir Bhupendra Nath.
Mitter, The Honourable Sir Brojendra.
Monteath, Mr. J.
Moore, Mr. Arthur.
Mukherjee, Rai Bahadur S. C.
Noyce, Sir Frank.
Pai, Mr. A. Upendra.
Parsons, Mr. A. A. L.
Rainy, The Honourable Sir George.
Rajah, Rao Bahadur M. C.
Rau, Mr. H. Shankar.
Sahi, Mr. Ram Prashad Narayan.
Sams, Mr. H. A.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Slater, Mr. S. H.
Sykes, Mr. E. F.
Tin Tut, Mr.
Yamin Khan, Mr. Muhammad.
Young, Mr. G. M.

The motion was adopted.

Mr. President: The question is:

"That a sum not exceeding Re. 1 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Army Department'."

(On Mr. President declaring for the "Noes", some Honourable Members on the Opposition Benches maintained that "the Ayes have it".)

Mr. President: The Honourable Members should have challenged a division at the proper time. I have already declared the result. The "Noes" have it.

The motion was negatived.

The Assembly then adjourned till Eleven of the Clock on Monday, the 10th March, 1930.

M 66.

LEGISLATIVE ASSEMBLY.

Monday, 10th March, 1930.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

MEMBERS SWORN:

Pandit Nilakantha Das, M.L.A. (Orissa Division: Non-Muhammadan); and Pandit Krishna Kant Malaviya, M.L.A. (Cities of the United Provinces: Non-Muhammadan Urban).

MOTION FOR ADJOURNMENT.

ARREST AND CONVICTION OF SARDAR VALLABHBHAI PATEL.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, I ask for leave to move the adjournment of the House in order to draw attention to a definite matter of urgent and public importance, namely, the arrest and conviction of Sardar Vallabhbhai Patel. The House is aware, Sir, that Sardar Vallabhbhai Patel is acting along with Mahatma Gandhi and directing and carrying on agitation against the existing Salt Act, under which people are prohibited from manufacturing salt. The whole policy has been previously published. Sardar Vallabhbhai Patel was going to Ras to address a public meeting. When he reached there, I am informed—and I am indebted to the Honourable the Home Member for this information—that the Magistrate served upon Sardar Vallabhbhai Patel a notice under section 42 of the Bombay District Police Act, prohibiting him from delivering any speech for one month. Sardar Vallabhbhai Patel told him that he would disregard that notice. I am informed by another message that he told the people, those who had assembled to listen to him, to preserve non-violence, that he had been served with an order prohibiting him from making a speech and that he was going to disregard that order; but he appealed to the people to remain non-violent. When he told them that he was going to speak, and before he had made any speech he was asked by the Magistrate to accompany him and that he was under arrest. He followed the Magistrate and there the thing ended so far.

Now, Sir, the question that arises in this connection is whether the Government were justified in preventing Sardar Vallabhbhai Patel from making the speech that he intended to make. Sardar Vallabhbhai Patel is a well-known public man, held in very high esteem by vast millions of people of this country. He was going to deliver a speech to the people. I can well understand that if in the speech that he was going to deliver, there was anything which brought him under the law, he might have been prosecuted. I would not object to any man who has offended against any law being properly tried and punished according to the existing Code for the offences

[Pandit Madan Mohan Malaviya.]

that he might have committed. My complaint is not against the prosecution or the punishment of any man who commits a violation of an existing enactment. But I submit that forbidding a man of the standing and well known character of Sardar Vallabhbhai Patel making speech is very dangerous interference with the freedom of speech.

The Honourable Sir James Crerar (Home Member): I do not wish to interrupt the Honourable and learned gentleman; but on a point of order, is he not now speaking on the merits?

Mr. President: I think the Honourable Pandit is speaking on the merits of the case. That stage will be reached if the motion is admitted.

Pandit Madan Mohan Malaviya: Thank you, Sir. I will not speak on the merits. I was drawing attention to the great principle involved in this matter. Sardar Vallabhbhai Patel has been prohibited from addressing the meeting. He has been arrested, prosecuted and punished with imprisonment. Mahatma Gandhi has announced that he is going to pursue the same course and it may be fairly taken as certain that a large number of other people are also going to follow that course. Is this matter not sufficiently important to be dealt with by the Government of India? The Government of India the other day, through the Honourable the Home Member, told the House that they had no information on the subject, when I drew their attention to the conviction and imprisonment of Sardar Vallabhbhai Patel, and asked them as to the section or sections under which he had been prosecuted and punished.

Mr. President: I do not think it is necessary for the Honourable the Pandit to go into all these details at this stage.

Pandit Madan Mohan Malaviya: Very well, Sir. My object in drawing attention to this matter is that it is a matter which involves a great principle and ought to have a policy behind it, and we should have the opportunity of pointing out to the Government the dangers that are involved in allowing Provincial Governments to proceed in a matter of this importance without the direction of the Government of India and without a policy being laid down by the Central Government. In 1921, 25,000 Indians were imprisoned, and on that occasion too the Local Governments took the reins and ran off without consulting the Government of India. This is an occasion when the Government of India ought to lay down a policy. If we do not know what that policy is and if the House is not given an opportunity to discuss the matter, and to guard the Government of India from adopting a course which is likely to lead to great evils, the situation will become very serious. I submit, therefore, Sir, that the matter is of sufficient urgency and public importance. Mahatma Gandhi has announced that he is going to start his campaign on the 12th instant. This case has already happened and in a few days time there will be many arrests and many prosecutions. The matter is therefore of urgent and public importance and requires the attention of the House and I therefore submit that leave should be given to me to move the adjournment of the House.

The Honourable Sir James Crerar: I have no objection to raise.

Mr. President: I rule that the motion is in order, and as no objection is taken, I intimate that leave is granted and that the motion will be taken up for discussion at 4 P.M.

THE GENERAL BUDGET—LIST OF DEMANDS—*contd.*

DEMAND NO. 32—HOME DEPARTMENT.

The Honourable Sir George Schuster (Finance Member): I beg to move:

"That a sum not exceeding Rs. 7,11,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of the 'Home Department'."

Policy of Government regarding Political Prisoners and their Treatment.

Maulvi Mohammad Shafee Daoodi (Tirhut Division: Muhammadan): Sir, I beg to move:

"That the demand under the head 'Home Department' be reduced by Rs. 100."

My object, Sir, in moving this cut is to censure Government for their policy in regard to persons detained in custody by the Government for offences arising out of the political movement in the country, as well as for the treatment meted out to them when they are in the custody of the Government. The first part relates to matters which are of paramount importance at this moment in the country.

Mr. President: What is the first part?

Maulvi Mohammad Shafee Daoodi: The first part, Sir, relates to the policy of the Government in regard to persons detained in custody for offences arising out of the political movement in the country. This relates, as I say, to matters which are of paramount importance particularly at this moment in the country.

Mr. President: Is the Honourable Member dealing with the policy of Government in regard to the treatment of political prisoners in jail? The Honourable Member said that there are two parts to his motion. Is it not?

Maulvi Mohammad Shafee Daoodi: The subject is the same, Sir, though I have divided it into two for the sake of convenience. One is the policy of Government in regard to prisoners in general, and the other is in regard to their treatment while they are in jail.

Mr. President: Will the Honourable Member confine himself to the treatment of political prisoners, or does he want to open up the whole question of prisoners in general?

Maulvi Mohammad Shafee Daoodi: Only political prisoners.

Mr. President: I take it that the only question now before the House is the treatment of political prisoners in jail.

Maulvi Mohammad Shafee Daoodi: Political prisoners, Sir, is really my subject—both the policy of Government in regard to political prisoners and under-trial prisoners of course, as well as their treatment while they are in jail. The two things are one and the same; I have only divided them so that I may put the case more clearly before the House. As I said, Sir, the country is passing through a very critical time. In my opinion it is in the throes of a great revolution.

The Honourable Sir James Crerar (Home Member): If I may interrupt my Honourable friend, I should be glad to know whether the issue he raises is the general question of policy, or the particular question of the treatment of political prisoners under imprisonment.

Maulvi Mohammad Shafee Daoodi: Will the Honourable Member please speak up, Sir?

The Honourable Sir James Crerar: The question I asked to be resolved was what was the specific single issue; whether it is the general question of policy regarding the undertaking of prosecutions, or the more specific question of the treatment of prisoners in jail. There would seem to be two distinct issues, and I understand the motion is made on one issue alone.

Maulvi Mohammad Shafee Daoodi: The Honourable Member will see when I make my statement as to what it relates to. It is certainly one and the same thing, but of course one has got to consider political prisoners as a whole, beginning from the moment of their activities in regard to political matters or in regard to offences which arise out of the political movements in the country. We have got to criticise the policy of the Government both in general as well as in particular when they are detained in jail.

I was saying, Sir, when I was interrupted, that we ought not to forget the time through which we are passing. Of course, at times when the political conscientiousness of the country is confined to a very few, the policy of the Government in regard to such prisoners may be of no consequence. But when you realise that the country is passing through a very serious time, you have got to consider your policy in regard to them. Every one concerned, Sir, with the future of India realises the seriousness of the situation, and if you realise the happenings in the country in their true perspective, you will be doing good both to the Government as well as to the people. Sir, the people inhabiting this land are men of culture, men of talent, men of high traditions, men of an once dominating civilization of the East, and they, people of this character, are bent upon achieving their lost glory. They are claiming their birthright. They should be conducted through their struggle in a manner which befits a great nation. The policy of the Government in regard to those who have, or who will take part in the movement, will greatly determine the character of the movement. If the Government are ruthless in their policy towards them, we should be prepared for a similar thing in return. It is no use hiding this plain fact. If you ask me what your policy should have been or should be in future towards these political prisoners, I should express myself in the simplest words that I can think of. The policy of Government in regard to political prisoners should be the policy of a friend in power to a friend in need of him and to a friend under him. It is true that you are sitting over the political prisoners today, but the tables might be turned, and the political prisoners of today may be sitting over you tomorrow. You should recognise the fact that political prisoners are dying for the sake of others who will follow them. They are out to meet with a fate which nobody willingly would court for himself. But these men of courage feel the necessity of dying for the people left behind them. This is no joke and you should not play with them. I say this because we have experience of the past. Without enumerating all the

instances which have happened in this country since the mass political movement has developed, I would quote only two recent instances—one of that young courageous Jatindra Nath Das, and the other of the gentleman in Burma—Mr. Wizaya. My idea is that the lives of such patriots should have much greater value than that which has been apparently put on them till now. That game should not be played again. Ahead of us is coming a time when the Government will be put to the severest trial on this score. All the people might be turned into political prisoners, and the whole country might become a vast prison house. My object is to guard against the coming danger, and my advice to the Government is, do to them as you would wish them to do unto you when you are in the same position. I hope His Excellency the Viceroy feels like that, but he has his environments; on all the four sides he is surrounded by men of the steel frame, which has no heart to feel. That is the danger spot, and I want to sound a note of warning in time. My advice to the steel frame is to place all their cards before the highest authority, namely, His Excellency the Viceroy, and then to allow him to exercise his own discretion freely. I am sure this is the only course to keep the situation in hand.

As regards the treatment of political prisoners in jail, the Government in my opinion have been very miserly. The rules which have recently been announced by the Home Department do not go as far as they should have gone. When we have to deal with big issues, we must have big hearts. A political prisoner is a man of conviction, and is generally a man of character. He has his notions about the policy of the country; he has his knowledge of history of his own country, as well as of others. You cannot treat him shabbily. He cannot brook it. He is an honourable man as well as, if not more so than, ourselves. Treat him then honourably. You cannot deny him a daily newspaper of the first class type available in the country. You cannot ask him to read a paper conducted by the jail authorities, and that also once a week. This is starving him of his intellectual food. You will be killing him intellectually every day that he is in prison in this manner. It would mean an avowed attempt to kill his spirit; and that the representatives of this House will not allow to be done so far as it lies in their power. Political movements in the country are growing at such a rapid rate that no one, howsoever safe he may be today, can think of remaining safe in the near future. When I was in jail in 1921-22, I put the greatest value on the newspapers of the day. My meals, my clothing and other comforts were all of no consequence to me, unless I had devoured the newspaper. My companions, however little literate they may have been, would run to me for the news of the country in the daily papers. It appeared as if they were hungry after the news. This is a matter on which I lay great emphasis. I find that the leaders who advised the Government on this point were not very keen, because, in my opinion, they have not suffered the pangs of a politically minded Indian, who happens to be detained in jail without any news of the country. Government ought to realise that withholding newspapers from political prisoners will not do. The thing is so urgent and important to a political prisoner that it will be smuggled in if you do not allow it openly. I know how zealous and active political prisoners were in order to get news of their country and of the movement which they had taken part in. From my experience I would say that the Government would be well advised to be generous in this respect.

[Maulvi Mohammad Shafee Daoodi.]

My second item of complaint under this head is that the political prisoners, as such, have not been recognised as deserving of special treatment. I know it has been said that political prisoners are not recognised as such in any other country of Europe. I have not made a study of that to be able to say whether that statement is correct or not. But what I think of the question is that, in India, the conditions are absolutely different; and here the same rule which generally applies in Europe cannot be applied. To my knowledge India is the only country with a record of an unbroken high standard of civilisation which is under the domination of a foreign government. The inhabitants of this country have now to undergo ordeals of a unique character. A new civilisation, foreign to their genius, is being imposed on them from without. It does not suit them at all; but it has made great headway in spite of that. The life of the people, though simple, had previously been one of satisfaction; the people had sufficient to eat; there was no exploitation of the kind that they have now to experience. The struggle for existence now is more intense than it was some years back, with the net result that a man cannot have what he wishes to have. One has only to compare his own life some thirty years back with his life in 1930. The comparison is galling to him. He does not require any demagogue to convince him that he, his animals, his goats, his buffaloes, and his cows are emaciated because there is that foreign exploitation going on in a manner which is not visible to the eyes. He naturally believes that there is some force in action which is bringing about this deplorable result for both man and animal living on the soil of India. It is enough to excite him to action, which action must necessarily be against the interests of Government. The Government therefore will take him into custody. Such actions, though they are an offence in the eyes of the Government, are the natural outcome of the life that he is compelled to live by the force of circumstances. Either he starts a movement himself, or he follows a movement started by others; in both cases the object is to save his life from the injurious effects of this exploitation. You cannot dub him a felon, a wretch or a wicked man. He wants to get out of this enforced condition. He has got a right to do it, nay his very innermost feeling is hurt if he does not do anything against it. A man with such notions, is, I should say, a perfect gentleman in the accepted sense of the term, and he should be accepted by the Government also as such. His style of life, his standard of living and his education, though indifferent should not deprive him of the treatment meted out to a gentleman who has, by accident, been put in favourable circumstances.

Mr. President: This is all generalisation. If the Honourable Member will put forward any concrete proposals before the Government, they will be in a position to reply.

Maulvi Mohammad Shafee Daoodi: These are some of my humble arguments. I am coming now to the proposals, Sir. It is the motive behind his action that is relevant in deciding whether he should be in class A, B or C. I maintain that such political prisoners should not be classed as ordinary criminals. I maintain that the struggle for minimising the exploitation of one by the other is a very noble struggle, and the man who has the courage of his convictions to start on such a campaign should be more respected than humiliated. I therefore plead for better treatment of political prisoners as such, and that political

prisoners must stand on a different level from ordinary criminals. It appears to me, Sir, from the revision of the Jail Rules that this aspect of the case has not been either considered or mentioned in the Rules. If the Government are not going to give preferential treatment to political prisoners, as such, at the present moment, I am sure the Government will have to yield to the pressure of public opinion in the country to give preferential treatment to prisoners who have been detained in custody on account of any action which has been prompted by motives not of greed, not of any lower object, but by higher motives of advancing the cause of his fellow beings in the country in which he lives. This is, Sir, the second thing which I want to urge, and I believe if the Government were to accept this view of the case, there would be much less to be said at the present moment. They have made classifications, which do not satisfy politically-minded India. They may have been satisfactory in ordinary times, but are not at the present day when the country is in a turmoil. I do not want to take much time of the House, Sir. I know we have got only an hour and a half more, and my friends here would be willing to contribute their quota to this subject. I therefore move the motion and would ask the House to extend their support to me.

Sardar Gulab Singh (West Punjab: Sikh): With your permission, Sir, I lend my full support to the cut that has just been moved by my Honourable friend Maulvi Mohammad Shafee Daoodi. It has been so well reasoned that it does not require any exhaustive comment.

It is a long established fact that India is determined to be free, and she is bound to gain that freedom sooner or later, with or without the British co-operation. Under the British flag today, a desire to be free is also supposed to be criminal and an expression of the same is enough to lead person by itself to a prison, where the patriots are treated alike as felons, by the current jail regulations. There has been recently a modification of jail rules, and the same have been enacted by the authorities and some party leaders themselves. With due deference to my leaders here, I submit, Sir, that our privileges have been seriously trespassed by not putting the proposed changes for discussion before this House. And the result of the same is that the new rules may have been said to mark a decided advance in the prevailing conditions of Indian jails, but they have fallen considerably short of the popular expectations and demands.

In differentiating between the various classes of prisoners, emphasis has been laid not on the nature of the crime but on the social status, education, and style of life of the prisoners concerned. This was not at all the object of the agitation started last year by several prisoners which even led to the actual sacrifice of some of them. There are prisoners rotting in the jails today, who were sent there by certain laws, that have been repealed since long, and there has been no provision made to include even the non-violent of these into Class "A". The sacred cause, unselfish suffering, patient endurance, and honest endeavours of those great souls, who have accepted the doctrine of non-violence and are in fact the true preservers of peace, are not so easy to picture while sitting in these comfortable benches. They can never be classed as ordinary criminals. Their main sufferings are not for their self interest, and it cannot be said at all to involve any sort of serious or premeditated violence, callousness, personal greed or moral degradation in any respect.

[Sardar Gulab Singh.]

It is only the intent that is of the greatest importance in the political offences, and the nature of the crime has not been considered to be one of the bases of their classification.

I cannot see any moral or legal justification on the part of the Government, nor there seems to be any sound and cogent reason forthcoming to contend that the non-violent political prisoners as such, should not be treated as "A" Class prisoners, irrespective of their social status or antecedents in life. Their purity and nobility of cause alone should suffice to get them included into first class category. I am at a loss to understand why a dissolute corrupt Anglo-Indian criminal, or an Indian swindler living in good style, is worthy of any sort of better treatment than an honest, devoted patriot who has sacrificed his all for the nation, and lives in no way better than a labourer. Incidentally, of course, those who wanted improvement in jail treatment towards the political prisoners, objected also to the special facilities being afforded to the European and the Anglo-Indian convicts. But the so-called reforms constitute the reintroduction of the principle of racial discrimination from the back door. Style of life is an ambiguous phrase, and so is the social status, and both can have a very wide range of varied interpretations. By emphasising the style of life, rather than the nature of offence, Class "B" has been secured and guaranteed for even the worst type of European and Eurasian offenders, even if they are guilty of dacoity, murder, fraud or embezzlement. I cannot see in what way an uneducated, low class, morally corrupt, callous Anglo-Indian guilty of burglary or murder, is in any way deserving of any better treatment than an Indian criminal placed in the "C" Class. Just because the former wears a coat and a necktie, and eats with a fork and knife, is he entitled to preferential treatment to his Indian fellow prisoner, who lives in the style of his own countrymen? The injustice of the arrangement will be apparent, when it is realised that, under the new regulations, a man living in a life of forced poverty, will be sent to Class "C", even if he be convicted of a purely political non-violent offence, while a degenerate, proletariat, depraved Anglo-Indian, for the single reason that he wears a hat and a suit, even though he is guilty of the most heinous crime, will be automatically put in the "B" division.

There was no objection to a classification being made on the basis of education and antecedents of a person if they were to be combined with the nature of the offence as well, but we strongly protest against the "social status and the style of life" being the only distinguishing factors. The fact that a man is educated, has good antecedents, and is guilty of none of those offences which involve serious moral turpitude, callousness or premeditated violence, should be enough to place him in Class "A". All those who do not meet these conditions, but are educated and have good antecedents should automatically belong to Class "B". The rest should be put into the third category.

The final authority for classifying prisoners has been placed in the hands of the Local Government, which again is unfair. The fate of the prisoners should not depend on the whim and caprice of the Local Government. If at all any tribunal for final review in this respect is necessary, it should be the High Court, and not the Local Government; in other words, it should be the judiciary and not the executive. Consequently

I insist, Sir, that any concessions to mere style of living or social status should be definitely eliminated, and I emphatically assert, Sir, that the aim of the revised rules for the jails should be to reduce the direct and the indirect racial discriminations to nil, and insure that genuine non-violent political prisoners, guilty of offences not involving personal greed, or moral turpitude should be placed in Class A or B according to the nature of their crime, education, and antecedents; and that every effort should be made to approximate their environments in jails to the status enjoyed by them in life. Particularly, should they in no case be asked to perform labour which by habit, physique or inclination they are not fit to perform. In the absence of any such assurance there can be absolutely no satisfaction with the so-called improved jail rules, and there is nothing in the aforesaid suggestions that I have made, which may humiliate the administration, country or individual. With these observations, Sir, I conclude my support.

Mr. K. C. Roy (Bengal: Nominated Non-Official): The House is indebted to my friend Maulvi Mohammad Shafee Daoodi for bringing this matter to the notice of the House. If my friend will permit me to say so, he cannot maintain his position that there were none on that committee who had any jail experience. I may tell him that, amongst the gentlemen who were invited to assist the Government in this matter, was no less a person than Pandit Motilal Nehru, and he voiced some of the sentiments which my Honourable friend has expressed this morning, but it was a matter of regret to me that some of the members did not stay long enough to complete the task. But the task, where it was left, was ably taken up by my friend Mr. Jinnah, than whom it is difficult to find a more ardent advocate of the political prisoners, and my friend Pandit Madan Mohan Malaviya was also there. Now, Sir, the point that Mr. Shafee has raised was considered in European countries twenty years ago. In England it arose out of the suffragatte movement. In spite of all efforts to find out a class to be called political prisoners, it was found impossible. In no country in the world is there such a class called political prisoners. The conditions under which the political prisoners live and perform their jail duties, the conditions under which they are allowed to stay in a jail, have been the subject of constant deliberation of the entire conference, of which Sir James Crerar was the Chairman. While we found that we could not place a definite class of prisoners as political prisoners, we proceeded to find out how best we could improve their conditions. We considered the question of non-violent prisoners. We considered the question of their education, of their social status and even of their motive.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): If I may interrupt the Honourable Member, may I ask him whether his Committee did not consider the question of introducing a sort of caste system among the political prisoners and laying down distinctions of social status between one class of political prisoners as against another class of prisoners?

Mr. K. C. Roy: The answer to that question will be given to him by the Government side.

Mr. C. S. Ranga Iyer: I want to know from the Honourable Member . . . . . .

Mr. President: The Honourable Member must address through the Chair.

Mr. C. S. Ranga Iyer: I want to know, Sir, from the Honourable Member because he was talking of a distinction of status among the political prisoners. I want him to explain what he means by that. Does he not want to introduce a caste system among the political prisoners? I can understand only one status, namely, the political status.

Mr. K. C. Roy: The Honourable Member will have ample opportunity to give his views to the House. I prefer to give my own. The question of creating a class of political prisoners was also raised by me in the Conference, but, Sir, it was found that it was not admitting of practical application. The point is this. We considered this question very thoroughly, and we came to the conclusion that in future, political prisoners in India will be divided into three groups, A, B, and C. An important point arising out of this controversy was raised by Mr. Jayakar last Summer about the racial distinctions in jails, and there was no more ardent exponent of abolishing racial distinctions than my friend Sir Darcy Lindsay. The first thing that the Conference did was to proceed and consider the abolition of racial distinctions in jails. And the second thing we did was how best to secure a better life and a better mode of living for the political prisoners. With this object, we proceeded to classify them. Political prisoners, according to the rules as they stand today, come under classes A and B, and most of the points, which my friends on the other side raised, would undoubtedly come under classes A and B, particularly the non-violent political offenders who are of good character and good social standing.

But let me tell the House, Sir, what is the practice in other countries about the political prisoners. As I told the House earlier in the day, this question was raised in England, and the British Government proceeded to consider it and this is what they did.

"Their claim to be treated as political prisoners was long discussed and warmly pressed."

Finally, the rule was revised and they proceeded to do this:

"Amelioration of the ordinary prison conditions to offenders whose previous character is good and who have been committed to prison for an offence not involving dishonesty, cruelty, indecency or serious violence."

Then, again, Sir, who got the benefit of these new conditions:

"The benefit of the rule has been granted to suffragists, passive resisters to the Education Act, conscientious objectors and isolated cases of Kensit preachers, and passive resisters to the Insurance Act."

These are persons who got the benefit of this special rule, but the benefits of the rule which we have framed will go to a wider class of people. I therefore claim that the rule that we have framed is a great improvement on the present position, and also a great improvement on the Churchill rules.

Then, a point has been made by the Honourable the Mover, Maulvi Mohammad Shafee Daoodi, about the opportunities for intellectual occupation of the prisoners, who are political or otherwise, because it is very difficult to differentiate between the various classes of prisoners. This was precisely the point which I raised in the Committee. Of course, I was not enamoured of the jail newspapers, but I agreed in the end that, so far as jail newspapers are concerned, they are good. The practice should not however be extended any further, and every other opportunity should be given for the proper mental and intellectual development of the prisoners. This is what we have done in this direction, and I maintain that even that is a great improvement upon the existing rules. I entirely agree that the rule does not go far enough, but I hope that, in the application of these rules, the Government of India, as well as the Provincial Governments, will see their way to give ample material for intellectual purposes for political and other prisoners.

The next point that my Honourable friend raised was about the motive. We examined this point at considerable length, and we found, as is the case in all other countries, that it is impossible in determining the jail treatment, to take motive as a criterion. That must be left to the judicial authorities.

Another matter that was raised by my Honourable friend on the other side was that the Provincial Governments have been left to classify the prisoners. On that point, I may say, if I am not giving away any secrets, there were considerable differences of opinion amongst ourselves, and my view has been that it is better to have the power of revision vested in the Provincial Government rather than the First Class and Presidency Magistrates and Judges. I know from my own experience, in Bengal, that some of the recent sentences passed by the First Class Magistrates at Alipore and elsewhere in other cases have not been very satisfactory, and to empower them also to classify the prisoners without a right of revision to be vested in the Local Governments would be very unfortunate indeed.

(At this stage Mr. President vacated the Chair which was taken by Pandit Madan Mohan Malaviya.)

Now, Sir, taken as a whole, I am satisfied that we have made a great advance as a first step. Experience will no doubt guide the Government of India, and I have no doubt, as time goes on, there will be more improvements forthcoming for the political prisoners. I therefore feel that I am justified in holding that good work has been done, for which thanks are due not only to Government but also to the Committees in the provinces.

Mr. C. S. Ranga Iyer: Sir, the last speaker, in answer to my interruptions with regard to what he perhaps imagines to be certain very revolutionary changes that have been introduced in regard to jail administration, or rather the treatment of political prisoners, quoted, by way of justification of these alleged revolutionary changes, the opinion of the Honourable gentleman from Allahabad, Pandit Madan Mohan Malaviya, and he also quoted other distinguished authorities. With great respect to the distinguished authorities whom he quoted, I do not know . . . . . .

Mr. K. C. Roy: I am sorry to interrupt the Honourable Member, but I never quoted any authority. I simply said they were the members.

Mr. C. S. Ranga Iyer: He did not quote their authority, but he did mention the fact, which is as good as quoting an authority, that these gentlemen were concerned with the modification or improvement of the

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jail regulations. As I have not had the opportunity of understanding their views first hand myself, I must postpone the examination of that aspect of the question to a later date as I do not rely on second hand authorities. But I know from the newspapers that they have introduced three classes of political prisoners called A, B and C. I think it is an impertinent classification. I have got some knowledge of jail life, and I consider it to be a most impertinent and mischievous classification. The object of this classification is to create jealousy and hatred amongst fellow prisoners. There is nothing more demoralising than to divide the political prisoners by putting under different categories, A B C, men who go to jail for the liberation of their country from the foreign yoke. It is disastrous to agree to any such classification of political prisoners. I am saying this because the previous speaker made those observations.

Mr. K. C. Roy: With due deference to my Honourable friend, I may say that there is no such thing as political prisoners, and all prisoners have been classified as A, B and C.

Mr. C. S. Ranga Iyer: Exactly, I believe there is a classification of all, including political prisoners, according to the new jail regulations, a report of which I read in the London *Times*. I believe they are going to make certain alterations in regard to political prisoners and also certain distinctions. It is alleged that men having a certain status in public life ought to be given a certain kind of treatment in the prison. A man occupying some other status in public life ought to be given some other kind of treatment. Also a provision has been made, if I may say so,—I am guided only by the telegraphic report which appeared in the London *Times* and the London *Times* is fairly accurate in these matters—a certain distinction has also been introduced, namely, that a gentleman imprisoned will have the opportunity of buying his own food and clothing from the money which he might deposit with the jailor or the Superintendent of the jail. Some such provision has been introduced. I need not go into these impertinent divisions. It is not that every prisoner will be wealthy enough to deposit money with the jailor. It is only few people who have plenty of money who can do so. Especially as you are going to get a large number of people into prison as a result of the mass civil disobedience—it is bound to come today, tomorrow or some time—I presume, Sir, there will be a large number of political prisoners. The proletariat is going to walk into prison today, tomorrow or the day after, the whole nation is going to walk into prison unless you give us what we want. I do not know whether you are going to give it to us, unless we take it out of your hands by revolution. There is no getting away from it. You are just altering the rules because you know revolution is near at hand. You know we are out to fill the prisons absolutely completely in the way in which we did when Mahatma Gandhi called us in 1921 and perhaps in a much greater way. But it will take time. We are looking forward to the day when Pandit Malaviyaji will march into prison as His Majesty's guest. We are looking forward to the day when Mr. Jinnah will be a member of the prison, one of His Majesty's guests. I say it will take time. We are just giving a chance to the British Government, the Conservatives, the Liberals and the Socialists. You are now meeting a situation which is going to develop.

12 NOON.

What is going to happen? Open cold-blooded non-violent revolution,—that is exactly what is going to occur. By way of anticipation you are introducing these modifications.

I dislike the introduction of any distinction in regard to the status of political prisoners which has been introduced in the past and which is going to be introduced in the future. I dislike it all. All political prisoners, whatever their status, should be treated in the same manner. If you mean to oppress them, oppress them by all means, be impartial in your oppression. If you are going to treat them well, treat them all equally well. If Pandit Madan Mohan Malaviya, the prisoner of the future, is going to get daily newspapers, I cannot see any justification, I do not see any reason why one of his humble followers from the distant villages should not have the same kind of treatment. I do know what a terrible feeling this kind of differentiation amongst political prisoners creates. I was myself one of the political prisoners during the non-co-operation days, and yet I had no cause of complaint against the treatment meted out to me, because I was treated very well indeed. I got what they called special treatment. That was six months before the boycott of the Prince of Wales. Then came other persons to the prison, who were treated differently. They were not treated so well. I was a friend of the Superintendent, or rather the Superintendent of the jail liked to be my friend, and so we got on merrily. A distinguished European visitor to the jail happened to visit me in the jail—she was a charming English lady, wife of Mr. O'Donnel, who was at that time Secretary in the Government of India—when that distinguished lady visited me in the Agra jail, she told me that Mr. Lansbury, who was then in jail, was playing football in England, and she told me that she heard that I was wearing English costume in the jail. I was not wearing English dress then; I had suspended the wearing of it for a while, and I have resumed it since. But then, all the same, I had no complaint whatever of any kind against the treatment I got in the jail. At some time in England, I mentioned this delightful news to Mr. George Lansbury, who was then a contemporary jail-bird in England, but who is now one of His Majesty's Ministers. (Laughter.) When I mentioned this news, he said that he did play football in the prison. That is exactly what I want, similar comfort and conveniences, for political prisoners in India.

India is going to organise a revolt against British rule. The country is going to do it—the extremists, the moderates, one and all, will do it, though not today at least ultimately. There will have to be a combined attack by all the parties in India, otherwise it is absolutely certain that Great Britain is not going to withdraw her rule from India, nor give anything substantial to India, judging from the speech of Lord Birkenhead recently in England. I had the pleasure of listening to the speech of Lord Birkenhead in the House of Lords—he speaks honestly the British mind—he says that for generations, for centuries, for thousands of centuries, he could not see any time when Great Britain would withdraw from India, he could not see any time when the Governor General of India could be reduced to a position resembling the position of the Governor General of the Colonies, and so on and so forth. I think Lord Birkenhead's was an admirable speech free from the camouflage which often the Tory Ministers—even the Socialist Ministers have learnt it today after coming to office—it was free from the

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camouflage which the Tory Ministers often indulge in. It was plain speaking. Therefore, Sir, we have ultimately to offer battle. Indians of all shades of opinion, Conservatives, Moderates, Radicals, Loyalists, Labour, one and all have to join the fray. A stage will come, is coming, coming much sooner than perhaps many of us realise, the stage is coming when there will be several thousands of prisoners. All of them cannot be wealthy people. All of them cannot have the distinction of Pandit Madan Mohan Malaviya; all of them cannot have the wealth of Pandit Motilal Nehru. I cannot understand why one class of prisoners should be treated differently, I cannot see any reason why the leaders, when they go to prison, should be given special and differential treatment, because their followers, when they go to prison, feel, and honestly feel, that they have been victimised by these "wretched leaders" who have accepted special treatment and ask why they are not given the same treatment as is meted out to their leaders. Such expressions have often been used in the prisons. So far as I was concerned, though I was given special treatment, yet my fellow prisoners in the Agra prison were not treated so well as myself and they felt that it was a matter for me to take up with the Inspector General of Prisons. When I represented this matter to the Inspector General of Prisons, who just then happened to visit me in the jail, when I told him I would relinquish special treatment if my fellow-prisoners were not treated similarly, he said, "Well, Mr. Ranga Iyer, I can take the horse to the water, but I cannot make it drink". Since then I relinquished special treatment. I honestly felt that when some of my fellow prisoners, some of my young friends from schools and colleges, who had left their schools and colleges and flocked to the prison because of my inflammatory speeches, because I incited them to revolt, when some of my young friends were treated very badly in the jail, I felt that I should not be enjoying better treatment than what they got. I do not see any reason why this Government, except it be with the most mischievous intention, should contemplate the idea of introducing any distinction among the political prisoners. I stand firmly against the introduction of any kind of distinction in the matter of political prisoners. I do not care whether you give them better treatment or not. Well, the worse you treat them the better, because the treatment given to prisoners inside the jail is known outside, even the fact of a revolt in the jail comes to light. When I was in jail, certain fellow prisoners in the Lucknow jail were denied the right of worshipping an image of Sri Krishna inside the jail, and when we consulted Pandit Motilal Nehru, he did not want that there should be a rebellion on that score—he always takes a reasonable view. (Laughter.) But I led the rebellion myself. No one knows this better than Pandit Khristna Kanta Malaviya—my fellow barrack mate—who was there then is here now. I led the rebellion with the object of getting the right of idol or image worship conceded inside the jail. I was punished for that, and I was transferred to the local district jail. They put me in a solitary cell, very stuffy, later in a separate cell. But that is another matter. The fact remains that my fellow-prisoners got the right of worshipping the image in the prison. The Superintendent of the jail in those days—perhaps he is now the Inspector General of Prisons in the United Provinces—the Superintendent then was Colonel Clementson. He was a dear fellow to talk to; he belonged to the better category of Englishmen and he was always kind to me. He had a very good opinion about myself until I rebelled, and since then he changed his opinion about me. (Laughter.) Well, Sir, I said to the Superintendent, "why I objected to this treatment

was that you just wanted to use your authority against these young fellows. Why don't you try conclusions with Pandit Motilal Nehru or myself? If you try conclusions with some of us, it will appear in the newspapers, and fellow-prisoners in other provinces would come to know of it, for after all prisoners subsist by the sympathy existing outside". That is what I said to the Superintendent; under jail rules, it was disorderly conduct for a prisoner. I lost all my remission for good conduct and remained in jail for a whole year. It is rather a bad thing to remain in prison for one year. I had one year's rigorous imprisonment. I have a personal knowledge of this problem.

Sir, I do sympathise with all that my Honourable friend Maulvi Shafee Daoodi said. He spoke with great enthusiasm and earnestness on the subject. Now, Sir, I will only refer to the treatment of the latest recruit to the jail, one of His Majesty's distinguished guests in the Guzerat jails. According to the latest information that has percolated through the Press, Messrs. Mahadeo Desai and Kirpalani asked the Superintendent of the prison all about the treatment of Sardar Vallabhbhai Patel, and the Superintendent said that he had no news for them. When asked about interviews and other privileges, the Superintendent said that Sardar Vallabhbhai Patel was entitled to one interview in three months. I do not know what has happened, and what has become of all the beautiful innovations my Honourable friend Mr. K. C. Roy elocutionized about. Perhaps they have been postponed to the Greek Kalends! One interview in three months! Is that the latest improvement? The Superintendent says there might be a change later on. The Superintendent says the Sardar had been given the Ramayana and Gita. Some of these lambardars, convict warders who keep watch over political prisoners, are dacoits and murderers, they also get the Ramayana and the Gita. I say any book that a political prisoner wants, a political prisoner should have, including, if I may say so, works of Mazzini, which I had in prison, and the works of Byron, which I had in prison. When the Superintendent of the prison gave me a volume of Byron, I ask him, "Do you know what it means to give me a volume of Byron? This is the book which was given to Mazzini in a cell and he drew his inspiration from it". He was giving me one of the most objectionable books from the Government point of view and he was giving it to me without awaiting orders from Government.

I think a non-violent political prisoner ought not to be robbed of daily jail interviews. You take the responsibility of putting him in prison; you do not give him any opportunity of expressing any opinion; you just go against the advice given to you by the House of Commons, that there should be no suppression of expression of opinion. That Resolution was passed in December in the House of Commons. It received the support of all parties. It had the approval of Government. You suppress that Resolution. You trample under foot the advice given to you by His Majesty's Government, and you just give Sardar Vallabhbhai Patel one interview in three months and one other interview in place of one letter! I cannot understand this. I do not want the Honourable the Home Member to go and live in a prison to understand the condition of political prisoners occupying the same status that he occupies in this country or in his own country. But I cannot understand this attitude at all. We are going to have a fight, today, tomorrow or the day after. Give us better treatment. We have got a large number of villages in India; buy up a few villages, construct prison houses there, and a big wall, a Chinese wall, round this village of (say) five square miles; give us our servants, give us our comforts.

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and give us the life that we used to live. Probably you cannot do that because it is a rather expensive proposition; but make prison life fairly nice and decent for us. Otherwise a good deal of racial feeling will be created. Of course I strongly object to the introduction of any kind of distinction among political prisoners of whatever status.

(At this stage Mr. President resumed the Chair.)

Treat all political prisoners alike. I have no enthusiasm for the so-called alteration of the jail regulations, I am concerned rather with regard to the treatment of the political prisoners. Give them all better treatment, or class them all as ordinary prisoners of the same category. If you class them with ordinary prisoners, you know what the result will be; it will recoil on you as "A devilish engine back recoils" in language Miltonic. But if you mean to treat them well, treat them as gentlemen, although they are deprived of their liberty.

Sir Darcy Lindsay (Bengal: European): Sir, it is a great pleasure to me to welcome back to the House my Honourable friend Mr. Ranga Iyer. His sojourn in Europe has certainly not deprived him of the great eloquence that he has always treated us to. But I cannot help thinking that his speech is an electioneering one, and I do not think that he really believes all that he said. He has referred to the information which the *Times* of London gave him in regard to the new regulations that have been issued. I cannot answer for what the *Times* of London said, but I can assure my Honourable friend that, so far as concerns political prisoners as such, the jail regulations made no reference to them whatsoever. The jail regulations have brought about, in my opinion, a very great improvement in the position of all prisoners. They have divided prisoners into three classes, according to the social position they were occupying in the country. The rules have removed all racial distinction, they have given no special benefits to any class on account of race. They have provided a special class for prisoners not convicted of offences of moral turpitude, and I should imagine that, in that class many of my Honourable friend's friends, the political prisoners, will be classified. But when he asks that all political prisoners should be treated as one, I wonder whether he wishes to deprive himself, and persons in his station of life, of the special privileges which these rules provide for; because surely he does not wish that a political prisoner or any other in a low walk of life shall be given a treatment totally different from the class of living the man has all along received in his own home. That is what would come about if my Honourable friend's views were brought into operation. The jail rules have provided that the Courts and not Government shall decide the allocation of prisoners to particular classes, the idea being that the Courts, with all the papers before them, could best judge as to the class to which the convicted prisoner should be allocated. I am afraid there has been a good deal of misunderstanding on the part of some Honourable Members as to what the real effects of these rules are. There is also a misunderstanding in the mind of the last speaker that the rules were brought in with the particular object of meeting a particular happening that might occur. I can assure my Honourable friend that there was no thought of that in the minds of the authorities who started the amendment of the jail regulations. It was due to the fact that certain hardships had been brought to their attention, and they have done the best they could to put these right. As a member of the Committee that assisted the Honourable the Home Member in formulating the regulations, I can assure the House that there was great unanimity of opinion on the main subjects that were under discussion, and I do feel that I for one, at least, have done a service to India in assisting the Committee in the way I did.

Mr. M. K. Acharya (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, on a very similar occasion, on the 26th January 1926, speaking on a Resolution about political prisoners moved then also by my Honourable friend, Maulvi Mohammad Shafee, I ventured to make an appeal to this House, which same appeal I shall venture to make today, that the House shall have to look upon the question not with the policeman's eye or with the jail warder's eye, but that the House, and those sitting on the Treasury Benches particularly, will have to look upon this question with what I may call the statesman's eye. I am glad that, today, nobody has challenged either my friend or anybody else on this side to define what "political prisoner" means. All the same, I would say that I was sorry to have noted—I noted it only three or four days ago, while looking up some of the old volumes of the proceedings of this House—I noted that on the 24th September, 1928, in reply to a very simple question put by my Honourable friend, Kumar Rananjaya Singh, as to the total number of political prisoners in India, my Honourable friend, Sir James Crerar, did a very great injustice to himself. His reply—rather his attempt at not replying—was to say, "If the Honourable Member explains what he means by political prisoners, I will say whether the information can be collected". I hope, Sir, he will not ask that question today, for indeed several times, in this House, Resolutions have been moved, and discussed on political prisoners. Several questions had been asked before September, 1928, and answered about political prisoners. It was too late in the day for the Honourable Sir James Crerar to have asked my friend Kumar Rananjaya Singh as to what he meant by political prisoners. It would have been more honourable to Sir James to have said that he was not prepared to give an answer to my friend's question. Let that pass. I wish to appeal today to all my colleagues here to look at the question before us from what I would call the humanitarian view, the higher human standpoint. I would appeal to my Honourable friends even on the Treasury Benches; because, although my friend on my right has stated that they have no heart, I still feel that I cannot deny what God has granted to them, namely, a warm or unwarm heart beating somewhere in their bodies. I shall therefore presume that they have a heart, and I will remind them of what the poet has said:

"Hearts are not steel and steel is bent,
Hearts are not flint and flint is rent."

But how long, oh, how long are your hearts going to remain unmoved?

Verily, as my friend has said, we are passing through stormy times. Any reference to what technical rules have been applied in other countries will not do us any good today, when the air is surcharged with dynamic currents of thought and feeling. Now if you want to be a Government, if you want to retain your prestige as a Government—you have already lost a good deal—but if you want anything like the prestige of a good Government, I say, rise to the occasion, realise the seriousness of the times through which we are moving, and try to set an example to the world, which others may follow in similar conditions. I am very sorry for my friend up there Mr. K. C. Roy, who finds that England has not got a classification, that France has not got a classification called political prisoners; and how

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can we have? Sir, England is not an example, France cannot be an example to us. If England and France have not, how does it follow that we too should not have such a classification? I really cannot understand the slave mentality, which, with respect to every institution, will ask if England has got it or not. The English people are the best judges of the conditions there. I know the circumstances of India better; and now, in these exceptionally strenuous times, in view of the anticipated mass movement in this country in which so many people will be quite ready to go to jail, now if Government will take good heed of the times, it is necessary that they must have a classification, a special classification in India called political prisoners. That is my first quarrel with the recommendations of have recommended this privilege or that additional privilege, that is not the question today. Shall we or shall we not recognise that, in the present special conditions of India, those who, for the ashes of their fathers and the temples of their gods, are ready to become political prisoners and who are sent to jail as such political prisoners, that these do deserve to be classified as a special class and be given a special treatment? Not that they want it by any means; but is it not wise, is it not humane to give these a treatment of which we may not be ashamed ourselves? That is the real question, Sir.

Who are these political prisoners, is today an idle question, and I hope every one will feel it as such even when we want a special class of prisoners called political prisoners. This is not, I repeat, the time to indulge in all kinds of verbal tiltings, in academical dialectics, in arm chair platitudes and things of that kind. "Who are political prisoners?" If there be any still who want to be enlightened on this, I will try to enlighten them by what we, in the educational world, call the inductive method, that is by setting before them a few concrete examples. "Who are political prisoners indeed?" Well, the latest, only three days ago, Sardar Vallabhbhai Patel became a political prisoner; and very probably, within the next three days, Mahatma Gandhi will be a political prisoner. Does any still ask, "Who are the class of political prisoners to whom you are referring"? I am referring to people like Bipin Chandra Pal, Maulana Mohammed Ali and to him, who was my great hero, my ideal, C. R. Das. My friend, Mr. Ranga Iyer, my friend, Maulvi Mohammad Shafee—both these were political prisoners. Why do these and others of the same heroic mould become political prisoners? Because they want to bear the cross for the benefit of others. I am glad to see my Honourable friend, Revd. Mr. Chatterjee, in the House. I hope he knows his Bible well. Let me tell him that these want to bear the cross. (Interruption.) Yes, I am a great student of the Bible . . . . . .

Dr. A. Suhrawardy (Burdwan and Presidency Divisions: Muhammadan Rural): You are quoting scripture.

Mr. M. K. Acharya: But I am not the Devil yet!—I repeat, Sir, that these want to bear the cross in order to make this bad world a better world for others to live in. Do they want, do they ask for better treatment? They do not ask for better treatment. I know what is in their mind. (Interruption.) It is true I have not had the privilege of being a political prisoner. Perhaps I shall be one, one of these days, very soon, when I may be forced to disobey law which I consider a lawless law. (Hear, hear.) When I disobey the law which was passed in September last, or any orders in connection with it. I call it a lawless law because it was introduced, not in response to any large public opinion, but in response to a demand made by half a dozen people, who would call themselves social reformers. It is a lawless law because it was passed not by a majority of elected votes in this House, but by a majority composed mainly of the official block and European Group, who morally ought not to have voted on it at all. It is a lawless law passed by 27 elected Members only voting for, while there were really 30 elected Members against it, 14 who actually registered their votes against it and the 16 Muhammadan Members who had walked out to make their emphatic protest against the official interference. Such is the lawless law that was in September last declared to have been passed, and which is going to come into force from the 1st April. It is a lawless law, not in my opinion only but in the opinion of an eminent lawyer, of one who was till recently the Law Member to the Government of Madras, who has put his opinion in writing and signed and sealed and delivered it to the electors of Tanjore and Trichinopoly, by whom he is going to be returned to this House very soon.

All this however by the way. Now any lawless law the Satyagrahi may decide to violate,—not for the pleasure of it, but in order to claim for his country the freedom that he so ardently desires, in order to claim for his people the liberty to live what religious life they choose, in order to deny to this House and to this Government the right to interfere in such matters. Not that I am in favour of child marriages, not that I want no sane reforms, but that I deny the right of this heterogeneous House to interfere in matters in which all are not equally concerned. Therefore, Sir, whatever the law is he may choose to disobey, whether it is section 144 of the Criminal Procedure Code, or the so-called Sarda Act, or anything else, we are determined to give non-violent battle to those who deny our birthright, to those by whom we are not allowed to live as we think we ought to live with regard to our political rights or our religious rites and usages. Now, Sir, these are to be the kinds of political prisoners with whom the Government of India will have to deal. Have not they to be classified separately? When in England, in recent times, I ask Mr. K. C. Roy, have the circumstances been the same? I ask him when in the history of England or in the history of France, or that of any other European country, there have arisen circumstances like unto those in modern India, where in recent times has appeared another Das, another Vallabhbhai, another Gandhi? Where indeed anyone like the late Andhraratna Gopalakrishnah—scholar, poet, musician, above all a patriot of patriots and true God-lover, who died a political prisoner, who sacrificed his life for his motherland, a typical non-violent Satyagrahi, who could bless those that cursed him, even while his life was ebbing out. Is there one such man anywhere else today, any one in Mr. Roy's England or France, who like Mahatma Gandhi or Sirdar Vallabhbhai Patel or Maulana Mohammad Ali,—who indeed like the late C. R. Das or Gopalakrishnah is prepared to bear the cross and to say, "Father, forgive the sins of my enemies, for they do that which they know not"? Such is the spirit of the political prisoners of India, of hundreds of them; do they not deserve special classification?

Now, as Mr. Ranga Iyer has beautifully suggested, if these men are so dangerous to you, you have got the power in your hands to put them beyond danger. Put them in groups in isolated places, give them what

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physical food or clothing you choose, but give them plenty of intellectual and spiritual exercise. Ask them to write poetry, to read history, give them plenty of books. Don't say that you will allow them only a single visitor every month, or at the most two visitors. These are not privileges which you are to give or take away; these are rights which you ought to allow to them, because they are human rights. To Government and to people like Sir Darcy Lindsay, it may be a great concession, a great privilege to allow Sirdar Patel one visitor every three months. Is this Sir Darcy Lindsay's love of liberty? Sir, the golden rule is "Do unto others as you would be done by", will my Honourable friend Sir Darcy regard this as a great concession if he should ever have the privilege of becoming a political prisoner?

Therefore, Sir, if today I plead against the jail regulations, if today I condemn them, and if I want better treatment for political prisoners, it is not primarily in their interest; it is in the interests of this Government, and because we on this side happen to be for the time being in some small measure part of this Government. In the interests of this very Government, therefore, I say before the high Powers Above, fall down on your knees, retrieve, repent, change heart. These are special times through which we are passing. Don't cite examples from England or France, America or Australia; conditions are different there; we know better the conditions here, and out of love we, from this side, tell you, out of goodwill we tell you in all brotherly love, do not think that these are trivial matters. These are matters which inflame the populace, and you cannot, you dare not, inflame the passions of the masses over whom you are set to rule. Therefore, Sir, if I support this motion, it is not because I am anxious for Mahatma Gandhi. I know Mahatma Gandhi will say, "Give me the worst treatment you can". Yes to him, as one day perchance to me:

> "Stone walls do not a prison make,
> Nor iron bars a cage."

Therefore, Sir, if there should be any peace in this country, if we are going to set an example to the world,—and I contend that India has really a great message to give to the whole world—do not look at this question from the policeman's standpoint; do not look at this question from the jailor's standpoint, look at it from the higher human standpoint, from the true Christian standpoint, which is also the true Hindu, the true Mussalman standpoint. Once more I plead, Sir, let us not be misled from the real point at issue. Let the European prisoner have a little more of this wordly something, or the Anglo-Indian prisoner a little more of that; I do not mind all that; that is not the point at issue today. Sir, the point really is, are or are not conditions in India today such as to demand a special classification of political prisoners? My answer is emphatically in the affirmative. My answer is emphatically in the affirmative to the question whether conditions in India are such as to demand that these political prisoners should be given a treatment altogether different from that given to those who, for vile deeds of brutal greed or passion, are incarcerated in the jails of my country. Are not political prisoners of nobler cast? Do they not observe all the higher privileges of humanity? This, Sir, is the whole question; and I am sorry that we should be drawn sideways into what this committee or that committee has said. Therefore, Sir, I hope the Honourable the Home Member will not raise any technical difficulty in regard to the special classification of political prisoner, that he will not

trot out dialectically his difficulty of defining a political prisoner. We all know what the term political prisoner means. We demand from Government that these men, whom we know well, should be classified separately. Men like C. R. Das, men like the late A. Gopalakrishnayya, who died in jail with blessings and prayers, not curses on his lips; these men are the salt of the earth. To these men we owe a duty even when they are gone, and that duty demands that we should press for the special treatment of all political prisoners. There is only one more word that I have to say. Don't trot out the bogey of law and order; do not be obscured with your great responsibility for the preservation of law and order. We know what it is. I am not at all insensible to your difficulties; and yet in all frankness let me tell you this. Not all your resources for preserving law and order, not all your colossal brute force, will stand before the dynamic force of suffering and of love. That is going to be the great lesson which the rest of the world will have to learn from India, from Mahatma Gandhi, from me and other Indians, that soul force is mightier far than brute force. Don't completely rely upon brute force. Recognise in time the strength of soul force and pay homage unto it. Regard those who are trying to create and to spread soul force all over country, and indeed all over the world in due time, as the greatest and truest of your friends. They are going to be honoured all over the world in future; will you alone dishonour them now, and bound them as felons? Let Government beware not only what verdict is going to be passed upon them in the future; let them beware what immediately is going to happen to them; and in time let them retrace their hasty steps for their own good, no less than for the good of the country at large. Therefore, I say, this motion ought to be supported by everybody; it is the duty of one and all, of even those who are sitting on the Benches there. Yes; I tell the Government in all friendliness, "You must begin to cultivate a change of heart." By all means have your jail rules, modify them as you please; the *atma-shakti*, soul force, of political prisoners is quite indifferent to your rules. But in your own best interests, I tell you in all sincerity that you must meet the new situation in the country in quite a new manner which will recognise the true strength of those who are ranged against you, in a manner which will be worthy of yourselves as a civilised Government.

Mr. M. S. Aney (Berar Representative): Sir, in supporting the motion before us, I wish to emphasise only one or two points and not make a long speech. The question which the Committee that was appointed a few days ago had set before itself to solve was prominently brought to the notice of the Government on account of certain events that took place in Lahore jail in the Punjab. We must recall to our minds the tragic circumstances under which Government had to take up this question for consideration, and in giving our verdict on the rules promulgated by the Government on the basis of the Report of that Committee, we must try to see how far those rules can meet the points that were prominently raised on that occasion. It was known that a hunger strike had occurred in Lahore jail as a protest against the treatment given to political prisoners, and one of the points that was made at that time was this, that the political prisoners in jail were not getting the treatment to which even a European prisoner guilty of the worst possible offence is entitled. That was the main point emphasised very prominently in the debate that took place in this House, and it was expected that, when the new rules were promulgated, they would at least be of such a nature as would eliminate the

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possibility of a distinction like that once and for ever. It is from this point of view that we have to look at these new rules and see whether they do really eliminate the possibility of distinction on which so much stress was then laid. I am sorry I have to differ on this point from my Honourable friend Mr. K. C. Roy, who is one of the Honourable Members that have certainly done their best to produce the present rules, and who have claimed that they have done everything they could possibly do to remove this invidious distinction. The system of classification which they have adopted is based, as has been very ably and aptly pointed out by the Honourable Member who moved this motion, and those who supported him, not on the nature of the offences for which the convicts are undergoing the imprisonment, but on the social status and habits of life of those who are convicted as offenders. In this classification one point appears to me to be perfectly clear, namely, that either on account of his social status, or on account of his habits of life, the European prisoner will be entitled to the privileges which he is getting today, whatever the nature of the offence, but a political prisoner, as such, may not be entitled to those privileges notwithstanding the fact that the offence which he has committed is entirely of a different nature, and not at all of a kind involving moral turpitude or any violence. This was the distinction which was regarded by those noble souls in Lahore jail, who went on hunger strike, as most galling, and as one for which they thought they should lay down their lives rather than submit to the wrong. That was the real grievance. Do these present rules eliminate the possibility of a thing like that? They do not, and in so far as they do not, I make bold to assert that the Government have failed to achieve the real result which it was their duty to bring about.

That is the one great failure of that Committee. It has been stated that it is impossible to define a political prisoner. We are told that they would have endeavoured to remove the distinction had it been possible for them to define a political prisoner. I want to know the precise nature of the difficulty which the Committee felt in defining a political prisoner. Is it because they do not find a definition of political prisoner anywhere else in the code of any civilized country? Or does the difficulty arise on account of the inconvenience which the authorities might experience in recognising the political prisoner as a distinct class for special and better treatment? I feel that the difficulty is more of the second category than of the first category. You can easily imagine why and when a prisoner should be called a political prisoner; a man is tried in court; the motive for which he has committed the offence is laid threadbare during the trial and the trying Magistrate can know at once whether the man has committed the offence with a selfish purpose or with a sordid motive, and whether he wanted to advance any personal ends of his own by the perpetration of the offence, or whether he had a higher motive in his mind in committing the offence. If you find he committed the offence with a political motive, that is for the purpose of gaining a political advantage for the nation, then he is certainly a political prisoner, notwithstanding the gravity of the offence that he may have committed. There is no difficulty about it; and therefore it would not have been very difficult for the Government to have recognised that class in my opinion; and in so far as they do not recognise that class, I do not think that the present Committee has done adequate justice to the

demands of the suffering people. On the other hand, I feel that Government of India have lost a very golden opportunity in not recognising this class and giving the political prisoners the concessions which they are prepared to extend in the case of the A and B class prisoners. They should have said that these political prisoners should be usually treated as A or B class prisoners; the Government could have certainly said that; it would have settled the question once for all and thus prevented it being brought up at any future time on the floor of this House. If they had done that, it would have been taken as a gesture of friendship on the part of the authorities, indicating that they really intend to create atmosphere in this country for the consideration of the bigger political issues on which the Government profess that their hearts are set. On the other hand, by not recognising political prisoners for better treatment owing to their very status as political prisoners, they are virtually saying, "I am not going to treat any man as a prisoner of a higher status or class because he has committed a political offence". So far as political offenders are concerned, the attitude of the Government is one of contempt and indifference. They do not want to make any change in that attitude at all. If they get a political prisoner occupying a very high status in society and if they have reasonable grounds to apprehend that a wrong treatment of him might create a row all over the country, then they have now provided themselves with certain powers to get themselves out of the difficulty. Their present system of classification of prisoners is nothing more than that so far as political prisoners are concerned. They do not recognise that men who are committing offences out of their convictions are for that reason entitled to special treatment, and the reason is this; they are not sufficiently imbued with the spirit of toleration; they are not sufficiently imbued with that magnanimity which apart from its apparent illegality, pays its tribute to one who suffers for freedom of expression and freedom of action according to his convictions. Unless they are imbued with that spirit, it would be impossible for the Government of India to recognise political prisoners as a class by themselves, entitled to certain privileges, privileges to which the prisoners under the higher classes under the proposed classification, are entitled. Government must treat them as men swayed and influenced by their moral convictions and not men who are merely moved by sordid impulses. In India we do not respect any body merely for his social status or the money he has in his pocket. India is a country in which the moral fibre of the man is the only criterion for him to be entitled to the respect of the people, notwithstanding the fact that he has not got a pie in his pocket; India is a country which recognises the class of *Sannyasis* as the highest class which requires to be honoured, a class of *fakirs*, with not a shilling or penny in their pockets—as the one class to be honoured by the entire community, and to occupy the most exalted position in society. In a country like that, Sir, a distinction based on social status and habits of living cannot appeal to the people; and if the Government have made these rules with a view to indicate to the world that this is a further proof of a change of heart in them and that the Government of India is thus creating an atmosphere for a better consideration of higher problems, they are sadly mistaken in that. I definitely tell the Government that these rules, though they may have improved the position a little bit over the previous position, have made no advance whatever so far as political prisoners are concerned.

There is only one more point to which I would like to refer. It was very rightly pointed out by Sir Darcy Lindsay that the proposed rules have

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given the right to fix the class of the prisoner to the Magistrate and not to anybody else. That is an improvement no doubt, but I believe, if I am not mistaken—I read the rules some days ago and if I am wrong I am open to correction—that discretion is given to the Local Government or some other authority to change the class. Am I wrong on that point?

Sir Darcy Lindsay: I think so.

Mr. M. S. Aney: If there be anything like that, if there is some authority which can change the class fixed for the offender by the Magistrate, it will be a serious mistake. If there is no such thing in the rules, there is no meaning in my criticism; but if there be some such provision by which the class fixed by the Magistrate can be changed by some other authority, except the higher judicial authority at the instance of the prisoner alone, it is a very serious defect and ought to be immediately rectified. That is another point I wanted to mention.

For these reasons, Sir, I think that, in spite of the promulgation of these new rules, a genuine grievance exists, and if a real change in the atmosphere is necessary; then the Government should immediately revise the rules again and find some way to recognise political prisoners as a class by themselves, entitled to the privileges given to classes A and B according to the present rules.

The Honourable Sir James Crerar: Mr. President, the question now before the House has occupied the attention of the Assembly on several occasions in the course of the last few years. The matter has been very fully discussed, but since the matter was last before the House, there have been some important developments and some very important and significant consequences. Therefore, so far from having any quarrel with my Honourable friend, the Mover of this motion, for having once more directed our attention to the problem, I welcome it because it gives me an opportunity, I think, of removing some misapprehensions and misconceptions under which it is obvious that some Honourable Members at least are labouring. I listened to the debate with very close attention and with very great interest, but at times I must confess, with some sense of disappointment, because I claim that Government have recognised the serious importance of the problem; they have recognised the fact that the public mind was seriously occupied with it; and I claim that they have dealt with it promptly and effectively.

Let me remind Honourable Members of one or two of the facts bearing upon that contention. It was in August last year that the Government of India had before them the report of a committee appointed by the Government of the United Provinces which dealt with this question and raised some issues which are now directly before the House. It would thus have been necessary for the Government of India to deal with them in any case, but there were circumstances at the time which had concentrated public attention upon the matter, and we took the earliest opportunity of issuing a communiqué announcing our intentions of having a general re-examination of the position with regard to under-trial and special class prisoners. In response to the views so strongly expressed in this House during the course of the debates in September, that inquiry was enlarged. Inquiries were held in every province in India; a non-official opinion was closely consulted, and in many provinces special committees were appointed. I think one very good effect of the action then

taken has been that, far more non-official persons have come in direct contact with the problems of jail administration and have realised, more fully than they did before, the great difficulty and complexity of the problem. Well, Sir, at the earliest possible date a conference of representatives of Local Governments was called. The whole matter was fully discussed, but certain outstanding points remained on which further opinion was required. Those were received in January, and I proceeded, with the least possible delay, to avail myself of the assistance of some leading Members of this House who were good enough to discuss the matter with me. I do not think that we can be charged with any dilatoriness in the matter. Indeed, during the course of the discussion, it was urged upon me that greater time ought to be allowed for considering the complexity of the problem. I should have been very glad if it had been possible to continue and prolong the discussions, but the matter was urgent, the House recognised that it was urgent, and we felt ourselves constrained to take the earliest possible opportunity of conveying to Local Governments our conclusions and of inviting them to take the necessary action.

Now, Sir, I shall proceed to consider what the actual results of those discussions have been, and I shall endeavour to meet some of the criticisms which have been made in the course of this debate. The first, and I have no doubt, the most important is that the principles now laid down for the revision of the jail rules do not specifically recognise the class of political prisoner. Well, on that point I must claim that the attitude of Government has from the very first been one of complete candour. That question has occupied attention not only in India but in other countries also for many years past. As my Honourable friend, Mr. K. C. Roy, pointed out, in England it has been carefully considered, with results which he described, and which I do not intend to recapitulate. We made it clear at the outset that in whatever direction the Jail Rules were modified, we could not take motive as a basis, as a criterion, without regard to the nature of the offence. I have been told that a definition of political prisoner is a perfectly possible thing to attain. Nevertheless, not a single Member, so far as I could discover in the course of this debate, was able to produce anything of the kind. One Honourable Member suggested that the matter could easily be settled by illustration. Well, Sir, I assure the House that this question was considered with the greatest care and attention at the conference of representatives of the Local Governments, and the unanimous conclusion was, as it has been, I think, in almost every country in the world, certainly in England and America, where the matter has been examined, that that was an impracticable proposition.

Now, Sir, what in effect has the result of this revision of the jail rules been? I maintain myself that it has been to mark a very definite step of progress. Some Honourable Members were inclined to question the basis on which the rules have been revised; that is to say, the question of taking into consideration the previous standard of living of a prisoner in assigning him to a particular class. Well, there is no doubt very great room for difference of opinion on that point, but the principle involved is clearly this. It is a principle of equity that the actual impact of the penalty of a sentence of imprisonment should be graduated so as to equalise it in its effect upon the various classes of prisoners in the jail. It is a principle of equity. The second important principle which has been dealt with, and, I claim myself, carried out in the principles now adopted

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is the elimination of those grounds of suspicion that there is an element of racial discrimination in the existing jail regulations . . . . .

Dr. A. Suhrawardy: The Chinese and Japanese were given special treatment as Europeans. Has that distinction ceased to exist now?

The Honourable Sir James Crerar: The basis for classification is now entirely, so far as A Class is concerned, the character of the offence and the antecedents and previous standard of life of the prisoner, as regards B Class, the second criterion alone; and the basis of classification now eliminates all questions of race.

Now, the third criticism of substance which has been brought against the rules was the classifying authority. As Honourable Members are aware, the principle which has been adopted is that classification should ordinarily be made, in the first instance, by the Court originally trying the offence, and it is subject to confirmation and revision by the Local Government. That principle has been criticised, but the ground for it has, I think, ample justification. A very large number of Courts of different grades and of varying degrees of experience will be called up to deal with what is in point of fact an administrative act. It is important, especially when a new system is being initiated, that a reasonable degree of uniformity should be imported into the matter, and that was the reason indeed why the Government of India came to the conclusion that the classification made by the Court originally trying the offence should be subject to confirmation and revision by the Local Government.

My time is very short, Sir, and I do not wish to encroach upon other matters which will shortly be coming before the House, but I 1 P.M. do trust the House will recognise that a very complicated and a very difficult task, which was presented by this revision of the jail rules, has been carried through in a really sympathetic, careful and attentive spirit, and that the conclusions which have now been reached mark a very definite improvement on the conditions previously existing.

Mr. President: The question is:

"That the Demand under the head 'Home Department' be reduced by Rs. 100."

The Assembly divided:

AYES—39.

Abdoola Haroon, Haji.	Lal, Mr. Hari Prashad.
Abdul Matin Chaudhury, Maulvi.	Lalchand Navalrai, Mr.
Abdullah Haji Kasim, Khan Bahadur Haji.	Malaviya, Pandit Krishna Kant.
Acharya, Mr. M. K.	Malaviya, Pandit Madan Mohan.
Aney, Mr. M. S.	Moonje, Dr. B. S.
Ayyangar, Mr. K. V. Rangaswami.	Munshi, Mr. Jehangir K.
Bhargava, Pandit Thakur Das.	Neogy, Mr. K. C.
Chaman Lall, Diwan.	Pandya, Mr. Vidya Sagar.
Chetty, Mr. R K. Shanmukham.	Rahimtulla, Mr. Fazal Ibrahim.
Das, Mr. B.	Rang Behari Lal, Lala.
Das, Pandit Nilakantha.	Ranga Iyer, Mr. C. S.
Dutt, Mr. Amar Nath.	Rao, Mr. G. Sarvotham.
Farookhi, Mr. Abdul Latif Saheb.	Reddi, Mr. T. N. Ramakrishna.
Gulab Singh, Sardar.	Sarda, Rai Sahib Harbilas.
Haji, Mr. Sarabhai Nemchand.	Shafee Daoodi, Maulvi Mohammad.
Ismail Khan, Mr. Muhammad.	Siddiqi, Mr. Abdul Qadir.
Jayakar, Mr. M. R.	Singh, Mr. Gaya Prasad.
Kelkar, Mr. N. C.	Sitaramaraju, Mr. B.
Kunzru, Pandit Hirday Nath.	Talatuley, Mr. S. D.
	Ziauddin Ahmad, Dr.

NOES—52.

Abdul Aziz, Khan Bahadur Mian.	Lindsay, Sir Darcy.
Abdul Qaiyum, Nawab Sir Sahibzada.	Mitra, The Honourable Sir Bhupendra Nath.
Alexander, Mr. W.	Mitter, The Honourable Sir Brojendra.
Anwar-ul-Azim, Mr.	Monteath, Mr. J.
Banarji, Mr. Rajnarayan.	Moore, Mr. Arthur.
Baum, Mr. E. F.	Mukherjee, Rai Bahadur S. C.
Chatterjee, The Revd. J. C	Noyce, Sir Frank.
Coatman, Mr. J.	Pai, Mr. A. Upendra.
Cocke, Sir Hugh.	Parsons, Mr. A. A. L.
Cosgrave, Mr. W. A.	Patil, Rao Bahadur B. L.
Crawford, Colonel J. D.	Rainy, The Honourable Sir George.
Crerar, The Honourable Sir James.	Rajah, Rao Bahadur M. C.
Crosthwaite, Mr. H. S.	Rau, Mr. H. Shankar.
Dalal, Dr. R. D.	Roy, Mr. K. C.
Ferrers, Mr. V. M.	Sahi, Mr. Ram Prashad Narayan.
French, Mr. J. C.	Sams, Mr. H. A.
Gidney, Lieut.-Colonel H. A. J.	Sarfaraz Hussain Khan, Khan Bahadur.
Gwynne, Mr. C. W.	Schuster, The Honourable Sir George.
Hamilton, Mr. K. L. B.	Scott, Mr. J. Ramsay.
Heathcote, Mr. L. V.	Shah Nawaz, Mian Mohammad.
Hira Singh Brar, Sardar Bahadur, Honorary Captain.	Slater, Mr. S. H.
Howell, Mr. E. B.	Suhrawardy, Dr. A.
Jawahar Singh, Sardar Bahadur Sardar.	Tin Tut, Mr.
Jehangir, Sir Cowasji.	Yamin Khan, Mr. Muhammad.
Kikabhai Premchand, Mr.	Young, Mr. G. M.
Lamb, Mr. W. S.	Zulfiqar Ali Khan, Sir

The motion was negatived.

Mr. President: The question is:

"That a sum not exceeding Rs. 7,11,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of the 'Home Department'."

The motion was adopted.

DEMAND No. 36—FINANCE DEPARTMENT.

The Honourable Sir George Schuster: I beg to move:

"That a sum not exceeding Rs. 11,50,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of the 'Finance Department'."

Retrenchment throughout the Administration.

Sir Hugh Cocke (Bombay: European): Sir, I beg to move:

"That the Demand under the head 'Finance Department' be reduced by Rs. 100."

From the storm of political prisoners we come to the calm of dull finance. The convention under which various subjects are taken up by different parties is, I think, an excellent one, but I am not sure that the selection ought not to be made by drawing numbers from a hat instead of each party selecting its own. The more spicy items have already been dealt with, but as the Finance Department controls the finances of all Departments, I presume, I am entitled to move my cut and refer to any expenditure which the Finance Department controls. Therefore, this opens up a very wide discussion. Sir, we often hear retrenchment being

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discussed in very wide and general terms and my desire today is that we should get much more into details. I do not intend to take more than ten minutes myself, and if the Honourable the Finance Member can limit his reply to 20 minutes, we should be left with 90 minutes in which, I suggest, possibly 45 Members might make two minutes speeches and tell us on what particular items, they suggest retrenchment and economy could be effected, because it is constructive suggestions which will be useful, and it is for that reason mainly that we decided on this particular item. If we can arrange for 45 speeches, and if we can get four suggestions of Rs. 10,000 from each speaker, the amount will come to 18 lakhs of rupees, which will be very good work for two hours. And if we go on as successfully as that, possibly other parties might like to withdraw their cuts and we could carry on the retrenchment campaign tomorrow and get to a much larger figure. Sir, as I said, I am anxious that the Members of this House should really direct their minds in particular channels in which definite savings can be effected. I may say at once that I have nothing very stirring to suggest in that direction, but I have one or two suggestions.

With regard to the Army expenditure generally, I quite agree with a good deal of the criticism which has been offered by the other side during the last few years in connection with the reductions which have been made in comparison to the reductions which the Inchcape Committee foresaw. I should like to see another *ad hoc* committee appointed at no very distant date to deal with the Army expenditure, with the idea of putting before this House a constructive programme of decreasing expenditure over a period of, say, five years. I cannot help feeling that we are rather in a maze at the present moment. We have been told that the Army have had additional expenditure thrust upon them in connection with the customs duty and postal duties. On the other hand, they have saved money on account of exchange and on account of the reduced price of materials. But we do not know the cumulative effect of these various differences and what proportion it bears on the figures of 55 and 50 crores mentioned in the Inchcape Committee's Report. I think if we can have another small expert committee—I do not mean an expert committee consisting of only soldiers; that will not be desirable—a small business committee, to consider this question and try to put up a programme for expenditure of the next five years, it might be fruitful of very good results.

Colonel Crawford, the other day, expressed a note of anxiety about mechanisation developments and he spoke of the bill we were going to have to meet for renewals. I heard of a staff car the other day which was practically out of action after two years use, due to thoroughly bad driving and cheap oil. That is an example of an item which this Committee might go into, whether the officers should have staff cars in peace time or whether it would not be better to use their own cars and get an allowance. From my own experience of offices, I can say that the cost of running motor cars by the firm is about double what it is when you give an allowance to individuals, for the simple reason that cars get proper attention when they are under the control of their owners, and they do not get proper attention when they belong to a big concern like the Government or a Company. Therefore, I suggest that, in the matter of staff cars, there is a definite possibility of some small reduction, and in connection

with the mechanisation there is a particular item which this Committee will go into, having regard to the possibility of renewal expenditure in years to come.

As regards the expenditure which Mr. Jukes is going to review, I cannot help feeling that his review would have carried more weight with this House and with the country generally had two non-official expert business men been associated with him. We all know Mr. Jukes is an expert in Government finance and he is a man who knows where to look for the particular items which should not be there or which could be reduced. But I think outside opinion would have been helpful, and possibly it is not too late even now to consider the addition of two or three names to Mr. Jukes' investigations.

On the question of interest which is an item of expenditure, I was very much struck with the paragraph which I read in the leading article of the *Daily Chronicle* yesterday. It runs as follows:

"Some time ago an examination was undertaken of the budgets of some 2,500 families whose average monthly income was shown to amount to about Rs. 52. Approximately 47 per cent. of these were indebted to the extent of an equivalent of two and half months' earnings. The usual interest paid was at the rate of one anna in the rupee per month In other words, these unfortunate beings were paying to *banias* an average interest of 75 per cent. a year, and as often as not this 75 per cent. was compound interest. A little simple arithmetic will show that these families were indebted on an average to the extent of Rs. 130 on which they paid in simple interest Rs. 97-8-0 a year.

If people who declaim so vociferously on the burden of a tax (they are referring to the Salt Tax) 'amounting to annas three per head per annum' would take steps to reduce a system of iniquitous usury which is one of India's greatest handicaps, they would be doing something of real value to the country."

Well, Sir, we all know that we have got the Banking Inquiry Committee and that is one of the problems they are facing. But it struck me, in connection with the reduction of expenditure, that if the Government could lend money to the people at 10 or 15 per cent. instead of allowing the people to borrow at 75 per cent. from the *banias*, provided they avoided heavy bad debts, they would be doing good business. Although, of course, the expense of the Department to be detailed to do this work would be heavy, one cannot help referring to an earlier paragraph in this leading article dealing with the salt tax, where it is pointed out that the present burden of the salt tax is reckoned at 3 annas per head. You could put on another 3 annas on the people to enable you to pay for this organisation and you will then confer a very substantial benefit on the masses.

There is one other direction which I think is worthy of investigation and that is the post offices. I got by the mail yesterday the *Times*, Special India Number, and in it there is an article by Sir Geoffrey Clarke dealing with the postal development in India in the last 50 years. He points out that the number of new rural post offices, which, of course, we all know, has been increased very materially. In 1927-28 no less than 748 post offices were opened. I quite agree that this is excellent from the point of view of spreading education, but it is expensive. Sir Geoffrey Clarke remarks that they do not yet pay their way. They may not pay their way for years, and the question arises whether a certain amount of retrenchment ought not to be effected in that direction, having particular regard to the fact that the Post Office is drawing heavily upon the Central revenues at the present time.

One other matter, and that is the general question of pay. I only said the other day that this House was very sympathetic towards increasing the

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pay of grades of staff, and that sympathy had been reflected in very heavy expenditure in the last few years. It occurs to me to suggest that the time may come, and perhaps ought to come even now, when some sort of move in the other direction is necessary, because, as we all know, and I think it was stated in this House the other day, that the British soldier's pay has been cut down as the result of living expenses going down. Railway employees at home have had to take reduced wages from top to bottom on that account. Taking the Bombay figures of cost of living, which have been quoted often in this House, Honourable Members may remember that, from 1923 to 1927, there was practically no change, the average figures of percentage over July 1914, for those five years, being 54, 57, 55, 55 and 54. But in 1928-29, we dropped to 47 per cent. above July 1914 and a slight rise took place in 1929 to 49 per cent. In the first month of 1930, the figure is again 47 per cent. I suggest that there is a possible ground for some retrenchment in pay.

Sir, I am not going to occupy the time of the House any longer because I am anxious that we shall hear as many of these two minute speeches as possible, and I hope Honourable Members sitting behind Government, who have great knowledge of the country, will take part in this discussion.

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

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. President in the Chair.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, in supporting Sir Hugh Cocke, I wish to make my own position clear. I have always insisted, and I insist once more, that the question of the reduction of Army expenditure does not depend upon the lines suggested by the Honourable the Mover of this motion, but upon a change of policy. It is the change of policy for which we have been fighting, struggling and agitating during the last ten years. As Honourable Members of this House may not be aware of the history of this agitation, I may, in a few sentences, explain to them what we have been fighting for. Ever since the close of the war, the point of view of the British war policy was that the Army in India should be regarded as part of the Imperial forces, and with that object in view, a Committee was appointed presided over by Lord Esher, in which it was expressly laid down that the Army in India must be regarded as a wing of the Imperial forces. We immediately protested against it, and we appointed a Committee of our own, with the consent of the Government of India, and unanimously passed a Resolution to the effect that the primary and sole purposes of the Army in India was the defence of India, and that its equipment must therefore be strictly in accordance with the requirements of India's needs. That policy is one which, as I have said, was accepted by the Government of India for the time being. But that policy, I am afraid, has been overruled by the Home authorities, with the result that, for the last ten years, the Indian Army has been regarded as a part of the Imperial forces. I have already read to you a passage from a leading article in an English newspaper, and I could read to you much more from the newspapers and from the pronouncements of responsible persons at Home to the effect

that the Army in India is treated as a part of the Imperial Reserve, and it is with that object in view that the mechanisation and the re-equipment of the Indian Army is ordered in this country. My Honourable friend, Colonel Crawford, the other day said, "You are provided with a different equipment; if you are to take part in a world war what will be the result? Look at the result you had in 1917; your men went there armed with inferior weapons and when they landed at Marseilles these weapons had to be changed." But we are not concerned here with a world war. We are here concerned with the defence of our country and the army which India claims to keep is only an army which is necessary for the defence of the country. If this policy is once accepted, we shall have an immediate reduction, not to the tune of one or two crores, but I venture to submit, something like 20 crores, in the gross expenditure upon the Army in this country. Look at the map of the world; think of England's possessions, East of Suez. You have South Africa, you have Australia, you have Ceylon, and you have the Malaya Peninsula and Hong-Kong and places like that. Do they keep any armies at all? They do not, because they know that the Indian Army is a stand-by, and that in case of necessity they can call upon the Army in India to come to their defence. As the British Navy is presumed to protect the outlying possessions of Great Britain, so the Indian Army is maintained for the purpose of safeguarding the integrity of the Eastern possessions of England. But not one penny is contributed by these possessions to the Indian exchequer for the maintenance of the Indian Army. Imperial Conferences have been held, and we are told that an Imperial Conference will be held in September or October this year. I ask the Government of India, in all seriousness, to instruct their delegates that they should raise this question before the Imperial Conference, that India is not in a position to pay for and maintain an Imperial force stationed in India, and unless that policy is altered India will not be happy, and will keep on insisting upon the Government of India the desirability and necessity of fulfilling their own promise, that the Army in India is intended for the defence of India. That, Sir, is the main point. A small *ad hoc* committee can do no good. I strongly oppose the appointment of an *ad hoc* committee, that will decide the policy of a few rupees' cut here and a few rupees' cut there. When the Inchcape Committee was appointed—let me remind Honourable Members that I was the author of the Resolution which forced upon Government the necessity of appointing that Committee—I then pointed out that, what we really wanted was a complete change of policy regarding the military and civil expenditure of the Government of India. The other day I pointed out to this House that all the provinces are crying and the province of Burma is blatant, that the expenditure of the Central Government is so high that they are not in a position to bear their proportion of it, and Burma is regarding that as one of the chief grounds for demanding separation; and the nation-building departments in all the other provinces are being starved because the overhead expenditure of the Central Government is very excessive, and out of all proportion to the burden that they can legitimately call upon the taxpayers of this country to bear. The provinces are in united revolt against the Central Government. I wish therefore to ask this House whether it can tolerate a policy which has been going on for the last 20 years or more, that India is being bled for Imperial purposes, and we are required to keep an Army the strength of which bears no relation to the requirements of this country. The equipment of it is ordered by a body overseas, with strict reference not to the Indian requirements, but

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the Imperial commitments. It is that which we wish to stop; it is against that that we wish to protest. It was asked the other day in connection with the military cut by the Honourable Mr. Jinnah, "Why do you want any reduction of British troops, because that is not possible? How shall we replace them?" And therefore we were told that what we require is the fulfillment of all the recommendations of the Skeen Committee. With due respect to him, I submit that, what we require is the immediate reduction of the British troops in India, (Hear, hear) because the British troops in India are not kept for the purpose of the defence of this country. I venture to submit that one-third at least of the British troops in India can be immediately sent away, and I say to the Government of India that, if they are so inclined, they should immediately give notice—a year's notice—for the reduction of one-third of the British Army in India. That, I submit, would relieve the taxpayer of a large burden which he has to bear. I ask the Honourable the Finance Member to support us in this motion for this reason. You know, Sir, that the more you give the people, the less tax you impose upon them, the greater is their purchasing power, and we know we have been told by the Empire Crusaders that one-fifth of the British trade is with India, and therefore we say to those Empire Crusaders that, if the people of India have more money to spend, they will buy more British goods, and therefore it is in the economic interest of Great Britain herself that the people of India should not be bled to the bone, as they have been bled all these years, for the maintenance of their bloated armaments in this country. We have cases after cases, whenever there is a overseas war, whether it is in Iraq or in Mesopotamia or Egypt or Palestine or China, the Indian reserve are called upon to serve overseas, and we are told that the British Exchequer is extremely fair, in that, for the time being, when these troops are overseas, their expenditure is borne by the British Exchequer, forgetting altogether the capitation charges that India has to pay for the troops which are only lent to us and a part of the British Army stationed in India for only a short period. But what becomes of the training and why should not India similarly levy capitation charges from England in respect of the troops which are kept here for Imperial purposes? Sir, it is a long story. The time at my disposal is short; but I feel very strongly on this subject and I therefore feel that, if the Government of India wish to appoint a committee—and I do want that the Government of India should appoint a committee—it should not be an *ad hoc* committee. It should be a committee which should carry out to the letter and to the spirit the Resolutions which this House has passed with the concurrence of India, that the primary duty and the sole duty of the Army in India is the defence of India. That is my first point.

As regards the civil expenditure, Sir, I find from the explanation given here in this book that the civil expenditure has been rising and rising partially because of the commitments consequent upon the recommendations of the Lee Commission. Now, the Government of India must remember that, under the Preamble to the Government of India Act, the progressive Indianisation of all services is the accepted policy of the Government. Now I wish to ask, where is the progressive realisation if you do not reduce the expenditure by Indianising the service. What Indianisation of the services has been made since 1919, or since 1921, when this Legislative Assembly first took office? I wish to ask the Honourable the Finance Member to make a statement, or if he is not prepared to make a statement, to prepare a statement and lay it on the table of the House,

to what extent Indianisation has been brought about in consequence of the changed angle of vision which is said to have been brought about by the Imperial declaration of 1917. That is my second point.

My third and last point is this, Sir. Whatever the Government of India may do, the Government of India may feel strongly with you and me, and in many cases they do, but so long as they remain a subordinate of a Government 6,000 miles away, their position is almost as deplorable—or I may say as pitiable—as ours. They can only beg and plead and occasionally send a deputation of the Finance Member to go and try to convince the authorities at Home as to the impecunious condition of the people of India. But so long as the fulcrum of power is in Whitehall, and that power is used primarily for the purpose of safeguarding and upholding Imperial interests, we shall have no relief in this country. Whatever the Government of India may do, so long as we do not make the Government of India independent of Whitehall, and responsible to this House in the truest and fullest sense, we shall never be able to get any real reforms or any real retrenchment. The Honourable Mr. Keilkar brought forward a Resolution that the Government of India are not responsible in their nature to this House. How can the Government of India be responsible to you? Under the Statute, the Government of India are responsible to the Secretary of State and the Secretary of State is a Member of the British Cabinet. I can well understand occasionally a Member of the British Cabinet saying that this does not suit the Government of India or the people of India. But after all, you must remember you have all done team work, and the Secretary of State has to do team work too. He is only one Member of the British Cabinet. When he finds that he has to carry out the policy of the Cabinet, is he to look at you or at the British Cabinet of which he is a Member? This places the Secretary of State in an awkward position. Look at the illogical and absurd position in which the Secretary of State is placed. He represents a British constituency, whose interests are his first obligation. He is under the disciplinary control of the British Cabinet. The Prime Minister has to formulate the policy. The other Members of the Cabinet have conjointly to decide upon a line of policy. Can you expect that a Member of the British Cabinet can go, time after time, against the joint wishes of the Cabinet and say that he shall not do this or that? Do you think that such a Secretary of State is likely to remain a Member of the Cabinet for long? And look at the question from your own standpoint. If you had in your cabinet a man who always disagreed with you and with the policy of his own electors, would you not say, this a quarrelsome fellow, and he does not understand team work: he is a most ill-disciplined fellow; he does not understand that the Cabinet has decided on a line of action; well, we will appoint him Lord of the Admiralty and somebody else as the Secretary of State for India. You should understand a man, however, strong or however conscientious he may be, in the position in which he is placed. That once more raises the main question, namely, that if you are to remain as a part of the great machine of Imperialism, your interests will always be subordinated to those of Great Britain, and naturally, Great Britain has got her own commitments, and so long as those commitments have to be adhered to, India has not got the first place, but has got the second place there, and it makes all the difference in the world whether India has the first place or the second place in the determination of Imperial policy.

Nawab Sir Sahibzada Abdul Qaiyum (North West Frontier Province: Nominated Non-Official): What about your Central Committee's Report?

Sir Hari Singh Gour: My friend, Sir Abdul Qaiyum, asks me what about my Central Committee's Report. I am paraphrasing it. I am paraphrasing the main recommendations of the Central Committee, and my friend is welcome to read the Report *in extenso*, the line of arguments which we have pursued and the recommendations which we have made. I, therefore, strongly support this Resolution, but not on the grounds on which the Honourable the Mover has placed it.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Sir, as a new arrival in this House, you will allow me to make a complaint. Sir, we have been discussing the Demands for two whole days and a part of today, and yet I have not had an opportunity of learning anything about the Budget, either from Honourable Members on this side or from Honourable Members on the Treasury Benches. I congratulate my friend, the Finance Member, on the comparatively light time he has in this House. He has practically had to answer no question, give no explanations, has not been held responsible for a single item in the Budget for the last two and a half days. The whole of the first day . . . . .

Mr. President: Order, order. The Honourable Member must speak on the motion.

Sir Cowasji Jehangir: I am explaining that we have done nothing to retrench during the last two and a half days that we have been discussing the Budget. My Honourable friend, Sir Hugh Cocke, now wants us to come back to the Budget and speak about retrenchment, but we have been talking high politics for the last two days. I cannot understand how it is possible to make suggestions for retrenchment and to ask for retrenchment when, out of the five days allotted, two and a half days have gone. Tomorrow will be the same, and only the last day is available for making practical suggestions. That is my complaint, Mr. President. I do not understand the practice of this Honourable House, but I only throw this out as a suggestion.

Today Sir, we have been extending yesterday's debate on the Army. On the first day we enunciated a great principle. I was quite prepared to agree to the enunciation of that principle, namely, the irresponsibility of the present Government. On Saturday we discussed the Army Budget and protested that Indianisation has not been effected by Government. I was quite prepared to support that protest. Today I find the same thing is going on again, and the Army is being discussed. But since I am given an opportunity of saying a word or two, I will only draw the attention of this Honourable House to one point. We hear a good deal about retrenchment in the Army. I am all for making a cut in the Rs. 54 crores which the Army requires. But, Mr. President, I would remind those who are so anxious to reduce the numbers, that, so long as they reduce the force in other parts of India and leave my Presidency alone, I can have no objection. Sir, my Presidency makes no small contribution to the Government of India which helps them to pay for this Army. On some occasions Bombay has had to make use of a very small, infinitesimally small, portion of that Army for internal peace. Now, Sir, if a reduction takes place, and knowing as I do the importance of the North West Frontier, I have no doubt that the Army will be concentrated somewhere in that direction, and that, when we do want the assistance of the military as a little return for the money we give to the Government of India, we shall be told that there are no troops to spare. The result will be that we shall have to increase our police, and therefore,

while the Government of India will reduce their expenditure, the Provincial Governments will have to increase it. I do not think that is at all fair. If a reduction in the Army is to take place, then, Sir, some of the expenditure should come back to the Provincial Governments. We should not be called upon to make the contributions that we are now making, and I think Provincial Governments will then be prepared to spend a part of that money in increasing their police force.

Sir, I would revert for just one minute to the question of retrenchment as a whole. I will just tell you what the position has been in my part of the world on more than one occasion. The analogy may not be quite correct, the Opposition in the Provinces being in a stronger position than the Opposition on these Benches. There is a greater sense of responsibility in Provincial Legislatures than there is here, because there are transferred subjects and there are Ministers, and in those subjects we never hear of certification; we cannot. And let me further add, that I am proud to say that, as far as my province is concerned, never once has an item been certified. On an occasion or two, when the Opposition Benches felt very strongly that retrenchment was necessary, they effected that retrenchment by taking advantage of the time given to the House to go into the Budget. They said to Government, "We refuse the Finance Bill, we want retrenchment". They frankly admitted that they were unable to point out, or put their finger on, the exact items which could be retrenched. They hadn't the knowledge, and as a little knowledge is a dangerous thing, they might do a great deal of harm in retrenching items which might be really most useful to the country and the people. Therefore, they put the responsibility on Government. They said, "You are the people who know where you can cut with the least amount of damage; all we know is that we are not going to supply you with the money. If you are prepared to make a retrenchment of X lakhs of rupees in your Budget, we will pass your Finance Bill; if not, we shall not". Well, the Government had to think; they could not pass over a threat of this sort unnoticed, and on more than one occasion they have agreed to make the cut demanded.

Mr. N. C. Kelkar (Bombay Central Division: Non-Muhammadan Rural): You once cut down Rs. 50 lakhs.

Sir Cowasji Jehangir: Yes. I am not now going into details. Now, Sir, I would suggest to my Honourable friend, Sir Hugh Cocke, that he might take up the same attitude. He might fix a figure which he thinks can be retrenched, and tell Government "Retrench in any direction you like, you are the best judges; we have not the information; we haven't the knowledge; we do not wish to do any damage; but retrench you must to this extent; and if you do not, we do not pass your Finance Bill". I know the answer will be "Government will resort to certification". But believe me, I do realise that these demands for retrenchment have an effect on the Treasury Benches. I am not speaking from experience of this Honourable House. I am only speaking from experience in another House. My experience is that the speeches are taken note of, and that cuts do have their effect, if not immediately, some time afterwards. It may not be apparent to non-officials; it is very apparent to the official, and therefore when we do effect these cuts, or make criticisms, it does have an effect on the opposite Benches. But we must have time to do so. The complaint may be that the time for general discussion is not enough, that it should be extended from two to four days. It will have

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to be extended from two to six days if the present state of affairs is to continue. Let there be cuts on policy for a day or so. Now we have been discussing policy yesterday and the day before, but let us now get on to the Budget, and force the Government to retrench. No conscientious Member of this Honourable House can go into the lobby and vote against the Finance Bill when he has not made any attempt to force the Government to retrench.

I am in an atmosphere of unreality; the system forces me to a position of unreality. It is my humble opinion—with due respect to the many Honourable Members I see round me with much greater experience than myself—that we are making the position worse. Therefore, Sir, irresponsible Member as I am, and the position being as unreal as it is, I will probably walk into the lobby and vote against further taxation. But I feel that I have not had an opportunity—perhaps members with much greater experience will take the opportunity later—of pointing out to the Government that retrenchment in such and such directions is possible and if you do not retrench you will have to use your powers of certification. I have nothing more to say, Mr. President.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, I have a considerable amount of sympathy with Sir Cowasji Jehangir, in his complaint that we in this House have not been very business like in disposing of these Demands for Grants for these two and a half days; and I would remind him that we, who have worked in the first Assembly—I mean the Assembly that sat from 1921 to 1923—were as a matter of fact faced with similar circumstances; and on one occasion we made all round cuts of five per cent. from the various Departments. In those days, however, there were no party organisations on the lines on which we find them today in the House; but still we could arrive at a sufficient amount of understanding between the different sections of the House to be able to accomplish this; and, by this method, we were enabled to effect considerable reductions in the Budget. It must not be forgotten, however, that in those days the Railway Budget also formed part of the General Budget, and for that reason it was possible for this House to effect a very large cut in the Railway Budget itself. Now the Railway Budget is sacrosanct; we cannot touch it—we have already disposed of it. Whatever that may be, it is possible even now for this House to effect a sort of five per cent. reduction under all the various heads that are to be voted by us. I understand Sir Hari Singh Gour has given notice of motions for the reduction of all the various demands by 5 per cent. I do not know whether it will be possible for this House to reach those particular heads after we have disposed of the general sort of discussion that we at the present moment are having. But I would remind Sir Cowasji Jehangir, with reference to what he said about the incongruity of the position of a non-official Member who votes against the Finance Bill, and who at the same time has not been able to effect any saving in the Budget while there was time for it, that the analogy of the provincial budget does not hold good here. Because my Honourable friend will remember that here, apart from the general division of voted and non-voted expenditure, we have the entire Military Department removed from the vote of this House. I therefore think that, even if we fail to achieve any retrenchment by our own action in regard to the various votable items of expenditure that are before us just now, there would be ample justification for us to vote against the Finance Bill when that comes up.

Now, Sir, in 1921—the Honourable the Finance Member will bear me out—the British Treasury sent out a circular to all the spending Departments of the Government, asking them to effect drastic reductions in expenditure, and I have a recollection that the *Times*, in an appreciative article, stated that this meant the recognition of a sound economic principle, namely, that the policy of the Government should not determine expenditure, but that, on the other hand, the policy itself should be determined by the nation's capacity to pay. Sir, I want my Honourable friend to say that he recognises this principle today. That is exactly what Sir Hari Singh Gour has been pleading for, and what everybody on this side of the House has been pleading for. It is no use trying to tinker with this Budget, either on the civil or military side. Unless there is some substantial change in the policy itself, we cannot hope for any remarkable reduction in expenditure. My Honourable friend, Sir Hugh Cocke, is not quite satisfied that the duty of retrenching expenditure should be left to an individual officer. He said that, so far as the Army Department was concerned—I hope I am correctly interpreting what he said—he might be associated with two other non-official experts.

Sir Hugh Cocke: I said that Mr. Jukes should be associated with two other non-official business men. So far, I do not think that Mr. Jukes is dealing with Army expenditure at all; he is dealing with only civil expenditure.

Mr. K. C. Neogy: These are matters of detail, which will not help us very much. The Government themselves can come to a determination that they are going to retrench expenditure, and that they are going to adopt a different policy, which will enable them to carry on the administration at a cheaper cost. It is only in that case that any effective retrenchment can be carried out. It is no use sending away a few *chaprasies* here, or a few typists and clerks there, at the same time maintaining a highly paid superior staff. I know the Finance Member suggested the other day that, so far as the staff was concerned, the increase in expenditure had been caused, not so much by what the higher paid staff got, but by the revision of salaries of the lower-paid staff. I agree with him there, but, Sir, so far as the lower-paid staff are concerned, it must be admitted by the Honourable Member in charge that, in their case, the relief was in very many cases mostly overdue and that the scales of salary which are at present admissible to the lower-paid staff cannot be considered to be excessive in any sense of the word. Sir Hugh Cocke also referred to this point; he said that, now that prices have fallen, an attempt might be made by Government to reduce the increments that had been granted. I do not know—he was not quite clear—as to whether he included the superior services too in this particular recommendation. But, Sir, I want to remind the House of the circumstances in which the Lee Commission recommendations were made. I do not want to read out any extracts from the Lee Commission's Report, but it is well known that their recommendations were based on circumstances which no longer exist today. Furthermore I want to point out that, while the Lee Commission were considering the cases of certain superior services, the relief that has been given on the lines of their recommendations has been extended to very many other people subsequent to their Report.

Mr. B. Das (Orissa Division: Non-Muhammadan): Even to Anglo-Indians.

Mr. K. C. Neogy: My friend, Mr. Das, says, even those who want to be classed as statutory Indians, have in many cases been given the benefit of those recommendations on the plea of a non-Asiatic Domicile. I appeal to my Honourable friend, the Finance Member to go into this question very carefully, and find out as to how far exactly the original scope of the Lee Commission recommendations has been extended by analogy to people belonging to other grades and other services.

There is one other point. Along with these Lee Commission concessions, there have been revised rules regarding pensions and commutation of pensions and things of that kind. These rules also, I think, should be looked into very carefully in the light of the present circumstances. I do not know whether my friend, Sir Hugh Cocke, will support me in this demand, but I think he did not intend to exclude any class of public servants when he said that the question of reduction of salaries should be gone into. I find that he nods assent, and I am very glad to see that he is in agreement with this side of the House on this particular point.

Sir Darcy Lindsay: Sir, I am very glad that my Honourable friend, Sir Hugh Cocke, has brought forward this cut, as it brings before the House a very important subject, and that is, to see if it is at all possible to bring about any further retrenchment on the lines of the Inchcape Commission. Personally, I would like to see a committee from India set up on the lines of the Inchcape Commission. Any attempt on the part of Departments to effect real retrenchment is met with grave difficulties in the Departments themselves, whereas an independent committee can probe far more deeply into things than the officials of the Departments are altogether able to do. That is why I should like to see an independent committee set up from India.

My Honourable friend, Mr. Neogy, referred to the 5 per cent. cut. It was effected, I think, in 1922, and was a very excellent piece of work. The Departments groaned and groaned; they said it was quite impossible to carry on, it could not be done and so on; but when they got back to their offices and faced this all round cut of 5 per cent. and looked into things, they found there were possibilities, and I think I am correct in saying that, when the Simla Sessions came round, there were only something like half a dozen supplementary grants to restore the cuts. In each case the Departments had to put their shoulders to the wheel and make up the 5 per cent. cut. Any such drastic measure as that I do not advocate, because I do not think there is room for it in the present expenditure, but that does not get away from my suggestion for the appointment of an independent committee from India.

Now, Sir, my Honourable friend, Sir Hari Singh Gour, dealt mainly with the expenditure on the Army. I sympathise with him in some degree when he refers to the protection that the Army in India gives to other dependencies in the East, and I think he advocated that there should be a contribution from these dependencies, and also, I think, from Great Britain. Now, Sir, as I say, I sympathise with that view, but I do not think my friend took into account the protection that India gets from the Navy, and pays practically nothing for it.

Mr. B. Das: What about the Colonies?

Sir Darcy Lindsay: So, Sir, if we are to collect a contribution, and very rightly so, for the protection that the Army that we pay for gives

to the other parts of the Empire, it is not unreasonable that we should be charged with a bigger contribution towards the Navy. Whether one will balance the other, I cannot say; but I should imagine that the benefit would be with us, that is, India.

Now, my Honourable friend, Sir Hugh Cocke, asked that Members, in their two minute speeches, should put forward certain concrete suggestions, and the one that I have to make, Sir, is this. In certain papers that were sent to me by the Finance Member, as a member of the Standing Finance Committee, giving details of the increase of expenditure in various Departments during the past few years, it was very illuminating to find that the main source of the increase has been on the establishments. Very rightly so. I do not grudge any clerk his natural increase in his pay; but, Sir, I think there should be a corresponding increase in the work that that clerk gives, and here I would like to allude to what I have always considered a somewhat extraordinary position, that is the hours of work. I understand,—I may be wrong,—that the regulation is from half-past ten in the morning to half-past four in the afternoon. I quite admit that, in a great many instances, certain of those clerks work a good deal longer owing to particular pressure at a particular time in the year, but in the generality of cases you see them streaming out of office at half past four. If you go to Calcutta, or any other big business centre, you will find that the clerks are in office from half-past nine to ten o'clock in the morning and it is not before five o'clock in the afternoon that they leave . . . . .

Sir Hugh Cocke: Not before six o'clock.

Sir Darcy Lindsay: Not before 6 o'clock, my friend says. I am giving what I consider to be the earliest. If in commerce our clerks work for such length of time, say from 10 in the morning to 5 in the evening, why can we not get the same service from clerks in all Government offices? And there, Sir, I consider, is a very fruitful source of retrenchment. Give the clerks their increase of pay, give them their increments by all means, but get the work out of them that we are paying them for.

3 P.M.

Pandit Hirday Nath Kunzru (Agra Division: Non-Muhammadan Rural): Sir, I do not agree with those of my predecessors who have regretted the time we have so far spent in discussing the votes relating to the Executive Council and the Army Department. We have known, Sir, by our experience of the last three or four years, that, whenever any important question either in regard to expenditure or to any other subject has cropped up, we have been met by the reply that the issues that we have raised relate to matters of policy which cannot be discussed by the Government of India on the spur of the moment.

(At this stage Mr. President vacated the Chair, which was taken by Mr. Deputy President.)

The other day during the general discussion of the Budget, when questions relating to the Army were put forward, my Honourable friend the Finance Member gave us a similar reply. We shall deal with his argument when the Finance Bill comes up. I will only say for the present that it would be dangerous, on the part of any Member of the

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Government of India, to assume that the function of this Assembly is not to get questions of policy discussed, but to vote money quietly to satisfy the needs of the Government. Sir, questions of policy arise not merely with regard to the Military Budget, but also with regard to the civil departments. I have had some experience of a Provincial Government. Some years ago I was a member of an Economy Committee, appointed by the United Provinces Government to reduce expenditure at a time when practically every Government was faced with a deficit. The Committee probably worked harder than any committee ever appointed by the United Provinces Government, but so far as I know, the principal result of our recommendations was a reduction in the number of peons and *duftaries* and low paid subordinates. We made recommendations with regard to a reduction in the number of Commissioners of Divisions, in the higher grades of the Public Works Department and in regard to the superior staff of many other Departments. Most of our recommendations were rejected by the United Provinces Government, either because they did not think that questions of policy could be discussed when we were concerned merely with matters of retrenchment or economy or because they thought that our recommendations raised issues which concerned more than one province. If today we appoint a committee of the kind recommended by my Honourable friend, Sir Hugh Cocke, what assurance have we that a similar result will not come about? My Honourable friends, Mr. Neogy and Sir Hari Singh Gour, referred to what the Assembly did in 1922. It effected a 5 per cent. reduction in the budget of every Department, but I should like to know whether that 5 per cent. reduction led to any decrease in the superior staff in any Department, or whether the brunt of the reduction fell on *chaprasis* and *duftaries* and other low paid employees . . . . .

Sir Hari Singh Gour: May I explain? It led to a reduction of about 10 crores, and the appointment of the Inchcape Committee, which recommended the reduction of a large number of members of the superior staff, some of whom were sent away but have been re-employed. Some of those appointments have been recreated.

Pandit Hirday Nath Kunzru: My friend referred to the 5 per cent. cut effected in the various Departments. In replying to my question, however, he referred to the Report of the Inchcape Committee, which is a very different matter altogether. My point is not that this Assembly should be debarred from making concrete suggestions for reductions but that we must make the Government of India realise that we shall not be satisfied with any policy which depends for effecting economies entirely on a reduction in the subordinate staff. My Honourable friend, Sir Cowasji Jehangir, complained that the Assembly had not concerned itself with making concrete suggestions. He knows perfectly well,—he was in the House when the General Budget was discussed,—that several concrete proposals were put forward with regard to the Army Budget. What reply did the Army Secretary, or the Honourable the Finance Member make to those suggestions? Their short and sharp reply was that our suggestions related to questions of policy which could not be considered at the moment . . . .

The Honourable Sir George Schuster: May I correct my Honourable friend? What I did say was that, at the present stage, when we are just

on the eve of considering constitutional reforms, it is extremely difficult to deal with questions of policy. That was my point.

Sir Hari Singh Gour: And my point was that, ten years ago, they should have reconsidered the question of policy to which they stood committed, in agreement with the Legislative Assembly, and that had nothing whatever to do with the constitutional changes now pending.

Pandit Hirday Nath Kunzru: I do not think that I misrepresented my Honourable friend, the Finance Member, in what I said, but perhaps he has put his own case better. My point is that the suggestions that we put forward did not relate to questions of policy. They related to matters which were brought under review either by the Welby Commission years and years ago, or by the Inchcape Committee. Those matters can be decided independently of any constitutional considerations. Why the Honourable Member did not take up those questions in connection with this Budget, or why the Government of India as a whole did not think that the time was opportune for taking up those questions now, I really fail to understand. If we had put forward a demand for the reduction of the British Army, or for its removal and replacement by the Indian Army, I could have understood the force of the contention of my Honourable friend, the Finance Member, but our suggestions related to administrative questions, which have been discussed more than once by various committees, and which have, in the main, been accepted by the Government of India themselves. It is unreasonable, therefore, to ask us to keep quiet on this point. On the other hand, the Government ought to be grateful to us for raising these questions and strengthening their hands in their negotiations with His Majesty's Government. My Honourable friend, Sir Cowasji Jehangir, suggested to us that instead of asking for the appointment of a committee we should tell the Government of India plainly that we are in no mood to vote any expenditure and enhance the burden of taxation and that they must cut their coat according to their cloth. I am entirely in favour of that policy. I trust that my Honourable friend, the Finance Member, or the Government of India, will not think that we are blameworthy if we adopt such an attitude in connection with the Finance Bill. Just one word more, Sir, and I have done.

My Honourable friend, Sir Hugh Cocke, suggested that the Retrenchment Officer should consider the question of reducing either the salaries of the subordinate staff or its strength.

Mr. K. C. Neogy: He corrected himself later on.

Pandit Hirday Nath Kunzru: The Honourable Member is in this House and he can correct me if he chooses.

Sir Hugh Cocke: I included all staff. I did not limit it to any particular branch.

Pandit Hirday Nath Kunzru: I accept his explanation, whether it be in elucidation of what he said before or by way of addition to it. In so far as the Government of India adopt the policy of reducing all branches of their staff, no reasonable objection can be taken to a reduction in the number of the subordinate staff or in their salaries, but I should like them to bear one special consideration in mind, even when they deal with their superior staff in the manner this House has suggested. There is no doubt that, even with the increase that has been made in the salaries of the low paid employees since 1920, their standard of living is not what might be

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expected of any decent man. If the needs of the State are urgent, every man must be called upon to make his own contribution. But I do hope that the axe will not fall lightly on these low paid subordinates because, in spite of the increase made in their salaries, their position is a difficult one. We have to think of these low paid subordinates, not in the light of the enhancement made in their salaries in the past, but with reference to some standard of living which we ought to have in our minds. I am certain that their present salaries do not enable them to live in accordance with any decent standard of human comfort.

Colonel J. D. Crawford (Bengal: European): Is there any competition for the Government posts?

Pandit Hirday Nath Kunzru: Does the Honourable Member imagine that, if the salaries of the superior staff were reduced, there would be no competition for those posts? Has there ever been a time when there was no competition for those posts? Besides, when Government deal with a question of such importance, we hope, they will not take advantage of the immediate necessities of the people, but will see that they set a standard by which the commercial firms and other private concerns might be guided. You may, if you like, reduce the salaries of your subordinates and employ a low paid staff, but in that case you must be prepared for the difficulties that have arisen in many Departments, and notably in connection with the Railway Department. Is it any advantage to you to engage your low paid staff on initially low salaries and then face strikes outside and debates in this House? I think, on the whole, it would be wise for you to recognise the existing facts and not to believe unduly in pure competition but to take account of all human factors that enter into the consideration of these subjects and try to treat your staff in a just and humane way.

I have no doubt that if you proceed with a drastic curtailment with regard to the strength or salaries of the superior staff, the subordinate staff will not complain of any hardship that it might have to suffer. But the House ought to realise that the demand for higher salaries from the provincial and the subordinate services began in 1920, partly because of the rise in the necessities of life, and partly of the example set by the higher services. When the Financial Relations Committee reported, it was expected that every Local Government would have a decent surplus available for being spent on beneficial objects when the reformed Councils came into existence, but it was found in 1921 that these surpluses were imaginary. They had been eaten up by the increases in salaries. Then came the Lee Commission, whose recommendations increased the charges owing to the pay and allowances of the superior civil staff in the Provincial and Central Governments by about a crore and a quarter. Further charges were incurred because of the revision in the pay of and the grant of free passage allowances to Army officers on the analogy of the concessions made to the civil officers. These concessions cost us an additional 50 lakhs. Unless you bear the history of this question in mind, and keep these figures prominently before yourself, it is not possible to consider the question of the subordinate staff in its proper perspective.

Sir, I do not wish to lengthen this debate any more. It is not in our power to make detailed suggestions, but I will once more say that I am in hearty agreement with the suggestion made by my Honourable friend, Sir Cowasji Jehangir, that our only business is to tell Government that the limits of further taxation have been reached; that they must manage its expenditure within the existing limits, and that they must find out where they can make retrenchments and economies. But if they do not pursue the course that we have suggested, they must be prepared to expect trouble when the Finance Bill is discussed. I am glad that my Honourable friend, Sir Cowasji Jehangir, has promised us his support in this connection. (Laughter.) I am sure the House will be only too glad to follow his lead in this matter.

Mr. Deputy President: The Honourable Member (Lieut.-Colonel H. A. J. Gidney) will remember that we have got to discuss the adjournment motion at 4 o'clock. Therefore, I hope he will try to be as brief as possible so as to give the Honourable the Finance Member a chance to reply.

Lieut.-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): I shall be very brief, Sir. I rise to support the remarks made by my Honourable friend, Sir Cowasji Jehangir. He has brought before the House an aspect of the budget discussion which is, I think, new, and which omission, I hope will not be repeated. We have not been allowed any opportunity of suggesting to Government practical measures of retrenchment to any of the Demands for Grants. We have upto now in this discussion indulged in what one might call ærial or high class politics relating to certain policies initiated by Government which should be discussed by means of Resolutions and not on cuts for Demands for Grants. Sir, I came to this House, as I am sure my friend, Mr. Neogy, and others did, prepared with many points which I intended to present to the heads of various Departments as their Demands for Grants were presented. But the arrangements come to by the Parties have denied us this opportunity. I protest against this, but anyhow I seize even this indirect opportunity to bring to the notice of the Finance Member certain concrete means by which retrenchment can be effected.

I am a supporter of retrenchment, but that retrenchment must go hand in hand with efficiency. As a rule retrenchment and efficiency are generally incompatible factors if carried to extremes. But, if you can retain efficiency with retrenchment, then I am in sympathy with this motion. Let me take the Army estimates which we discussed the other day. We have concrete instances where retrenchment can be effected in the Army and without loss of efficiency. I have, on the floor of this House for the last five or six years, been trying to din into the ears of the Army Secretary a practical and a concrete measure of real economy, but the Army Department has turned a deaf ear to it. I have proved to the Army Department that it can save lakhs and lakhs of rupees by administering their medical services in a manner different to what is being done today. What is the Indian taxpayer asked to pay for the administration of the Army Medical Department which today costs 1½ crores or about 1/30th of the total Army estimate? He is asked to pay for the maintenance of two Departments, the Indian Medical Service and the Royal Army Medical Corps, the majority of whose officers consist of senior Majors. Indeed, nearly two-thirds of the Royal Army Medical Corps officers, and about half of the Indian Medical Service officers consist of senior officers, such as, Majors, drawing salaries from Rs. 1,200 upwards, and who are performing the hospital duties of junior officers such as Captains and Lieutenants. The Army Department have said that this position is inevitable as they cannot get junior medical

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officers, because they will not come to this country. Sir, is it right to ask the Indian taxpayer to pay for the inability of the Army Department to get junior Captains and Lieutenants to come out to India especially if we have a remedy at hand? We have a means of retrenchment here. It is this: Return the Senior Majors to England and use the 70 odd Indian Medical Department officers who possess British qualifications, to perform these duties. In short do the same as is being done in the provincial medical services. If the Royal Army Medical Corps apply this retrenchment it will effect economy to the extent of many lakhs of rupees. The same criticism applies to nurses attached to the British military hospitals. These nurses are engaged in our British military hospitals in India—very estimable ladies—who do good work but are paid salaries ranging from Rs. 400 a month upwards, inclusive, more than a superior Service Assistant Engineer gets on the railways. Why should these nurses be imported from England when we have in India hundreds of fully qualified efficient European, domiciled European and Anglo-Indian nurses waiting for such employment? Then, we have a class of servants, called the India Unattached List—ancilliary branches of the Army in India. Here we find a Sergeant coming straight from the regiment to the India Unattached List on a salary of Rs. 300 a month inclusive, rising to Rs. 1,200 per month, the same initial pay of an Assistant Engineer in the superior railway service, but with better prospects. These are in my opinion concrete cases in which the Finance Member can effect retrenchment without reducing efficiency. Again. I ask, why does the Army Department turn a deaf ear to this? They have never been able to answer this question except that for the first time this year the Army Secretary says that birds of one feather flock together. (Hear, hear.) But at the time of the war, there were many birds of many feathers in your regiments and ancilliary branches, and who are not wanted today.

Mr. B. Das: Why do you flock to them again and again?

Lieut.-Colonel H. A. J. Gidney: You keep quiet, Mr. Das.

Mr. B. Das: Can the Honourable Member use personal slang to me, Sir?

Lieut.-Colonel H. A. J. Gidney: Don't interrupt me! There is another aspect of the question which my Honourable friend, Sir Darcy Lindsay, introduced . . . . .

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): The Honourable Member addressed personally my Honourable friend, Mr. Das, and said, "You keep quiet". Is he in order?

Lieut.-Colonel H. A. J. Gidney: I want to bring out another aspect of the question.

Mr. M. S. Aney: My Honourable friend, Pandit Nilakantha Das, raised a point of order and it has not been decided.

Mr. Deputy President: There is no point of order.

Lieut.-Colonel H. A. J. Gidney: I want to refer to another matter. My Honourable friend, Sir Darcy Lindsay, struck a true note when he said that clerks in the Army Headquarters offices get away from their work at

4-30 O'clock. I want to know at what time do Army officers get away from their offices?—earlier than 4-30 or later. Introduce the Geneva and Washington Conventions into the Army Headquarters offices and Department and the staff could be easily reduced by one-third. Let both officers and subordinates give eight hours work in the Army Headquarters and Department and I am sure the Finance Member would be able to effect considerable retrenchment without effecting efficiency. Will he try this simple remedy?

Mr. M. R. Jayakar (Bombay City: Non-Muhammadan Urban): They will die, I suppose, if required to work so hard.

Lieut.-Colonel H. A. J. Gidney: There is another point. My Honourable friend, Pandit Hirday Nath Kunzru, very truly referred to retrenchment on the railways. I can give the House an instance of retrenchment—a most unjust one—in which the Railway Board although the difference in cost of living between 1926 and 1928 was only 5 per cent. made a very drastic retrenchment in the salaries of subordinates of the East Indian Railway of amounts from 10 to 50 per cent. to be able to pay an extra allowance to the menials. In short, it has dissatisfied one staff of servants to satisfy another, the object being to satisfy the Labour Commission at present in the country, and yet not a penny has been cut from the railway officials' pay. Sir, in my opinion, railway officials can easily do with a wholesale cut of 5 to 10 per cent. of their pay, which is far too high for the work they perform today—efficiency would not be decreased if this were done. It is ridiculous for any one to say that, because there are many applicants for appointments, for that reason alone you should not improve the menials' wage. Sir, I have been with the Labour Commission for the last four and a half months, and my chief conviction amongst many others, is this, that there is no class of labourer who is so underfed, who is so under-paid, who is so under-clothed and who is so under-housed as the Indian unskilled labourer on railways. I think that, if retrenchment is made anywhere, it should be done primarily with the idea of improving the lot of menial servants on railways and other departments (Hear, hear). The Honourable the Finance Member, in his speech, made reference to one of his difficulties in connection with future, increased expenditure on services and said it was due to the time-scale promotion that had been introduced in previous years in grading the scales of pay in various Departments. I am sure that the Actuary who decided those time-scale rates of pay did not realise that the time would come when this would create an increasingly heavy financial burden on the State. As a remedial measure, might I suggest, for his consideration, that the new pension rules of these various Departments be more liberally framed so that senior employees would be able to go on pension or take leave preparatory to retirement at an earlier age than at present, *i.e.*, those who enjoy the higher time-scale rates of pay will have the advantage, both in their interests and that of the State, of going on leave or retiring at an earlier age.

Sir, my Honourable friend, Sir Purshotamdas Thakurdas, made a statement the other day about the Lee Commission concessions. I was very glad to hear him make that statement. It has been frequently referred to in the House today. The Lee concessions have certainly been a very severe drain on the finances of India. One cannot complain of them at this

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distant date, but I agree with my Honourable friends on the opposite side in their complaint that these concessions should not be extended and should be confined to the departments they were originally intended to include. I understand these concessions are being extended. I believe that new rules have been issued which give these concessions to upper subordinates in the military and civil services, also railways. I am sorry to admit that there are many members of my community who have disowned their domicile, and by doing so, have been able to obtain the Lee concessions. Sir Purshotamdas Thakurdas was quite right in exposing this matter. Sir, if there is any means by which this dishonourable practice can be stopped, I would ask the Honourable the Finance Member to do so and to give his serious attention to the matter and to stop this additional drain on the revenues of India.

I now come to my last point—the suggestion of my Honourable friend, Sir Hugh Cocke, about the appointment of a committee to enquire into retrenchment. In my opinion this is an excellent idea, but my experience of such committees in this House is that a committee is the quickest way of taking a subject to *post mortem* room. Result *nil*. Such Committees generally talk a lot, discuss many matters but do very little. We have had experience in such Committees, *e.g.*, in 1922 when the Military Requirements Committee sat, witnesses from all parts of India gave evidence before that Committee, and I have yet to know what retrenchments were made as a result of the recommendations of that Committee. I remember that Committee took evidence on the Military Stores Department, but the condition today is as it was then and we still have the Supply and Transport Department in which young inexperienced officers gain their experience at the expense of the Indian taxpayer. If there is to be a committee, I agree with my Honourable friends on the opposite side, let that committee not consist of any Member belonging to this Assembly or to the Government. Let it be an independent committee charged with the serious desire of reducing expenditure, and I am confident that its labours will result in considerable economies being effected in the same manner as has been achieved in both the British Army and Navy in England and I would add at a critical time in the history of England (Hear hear, and applause).

(Sir Purshotamdas Thakurdas rose to speak.)

Mr. Deputy President: Sir George Schuster.

The Honourable Sir George Schuster: Sir, I bow to your ruling, but I shall be very glad to hear from Sir Purshotamdas Thakurdas what he has got to say.

Mr. Deputy President: We have got only 25 minutes more.

The Honourable Sir George Schuster: I suggest that two minutes from Sir Purshotamdas Thakurdas might be worth more than five minutes from me.

Mr. Deputy President: If you are so anxious, I would call on Sir Purshotamdas Thakurdas to speak. Sir Purshotamdas Thakurdas.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Sir, I have to be very brief on this occasion after the speeches we have heard. I wish to say a few words on the discussion on this motion. The discussion has revealed the difficulty of effecting any substantial retrenchment which can come up to the expectation of this House.

(At this stage Mr. President resumed the Chair.)

What appears to be essential is a substantial change in the policy of the Government of India which has obtained till now. Take the instance, two or three items indicated by my Honourable friend, Colonel Gidney, namely, regarding the Royal Army Medical Service, recruitment of nurses and two more items. How is this going to be effected, I ask Colonel Gidney? By a senior officer of the Government of India being appointed to go into the likely heads of retrenchment, or by a committee either of Members of the Legislature or outsiders? Is it not a question of State policy, and if that be so how is it going to be of any practical use recommending the Government of India to appoint a committee, whether from here or from outside? I have come to this conclusion after my experience on the Retrenchment Committee of 1922-23, that, in order that any retrenchment which can come up to the expectation of this House, as I know it, may be attained, we want not a committee which will go into the heads of expenditure and reduce expenditure only, but a substantial change at the very root of the policy by which we are governed. Let us examine the military expenditure. Honourable Members, who remember the few words that I said on the general debate, will bear me out when I say that I am most anxious that there should be substantial retrenchment and curtailment of expenditure there. But no committee appointed to examine the Army expenditure, not even the committee indicated by my Honourable friend from Bombay, can do anything effective, because I have an idea in my mind that, at the moment, the War Office in England has a very substantial voice regarding military expenditure. That is my impression: I will be very glad to hear from the opposite Benches that it is not so. But my impression is that the British War Office has a very substantial voice in the expenditure on our Military Department, and if that be so, what is the good of wasting the time of any committee or of any officer on going into the expenditure on the Military Department? I therefore am inclined to agree with what the Finance Member said in his reply on the general debate that, in view of the change in the constitution within the next year or so, the appointment of a committee at present will bear no fruit.

One word more regarding what has been said about the civil Departments. I personally believe that, after the end of next month, the Government of India will be very busy giving expression to their opinion on the Simon Commission's Report, and I feel that, if anything, they will fully require all the assistance they can get from their various heads of Departments in order to be able to deal with the Report as expeditiously as possible. At that juncture, can we usefully suggest a committee going into the expenditure of the various Departments, with the experience that my Honourable friend, Pandit Hirday Nath Kunzru, mentioned about the Retrenchment Committee they had in the United Provinces, namely, chopping off a few *auftries* and a few *chaprasies*? I suggest that we should not unduly press that question today, bearing in mind all the time the main thing which I said at the start, that we really want a substantial change of policy and not mere playing with reports and statements from the various Departments. I therefore feel that we had better leave the Finance Member to do his best through the officer whose appointment he indicated, and, I hope that within the next six months at the most he will be able to put before us a report of what can be done. What we want is a change of policy which will satisfy us. What we want is at least rupees two or three crores when we ask for retrenchment.

The Honourable Sir George Schuster: Sir, my time for reply is very short, but I feel that that is perhaps no disadvantage, because I have come really rather as a listener than a speaker to this debate. Sir, in a debate of this kind I find myself in a rather peculiar position. I must oppose the motion because it takes the form of a vote of something like censure on my Department; but in the course of the debate I find myself listening to a great many arguments which I myself very often use, and I should be the last person to resist the expression of a desire for economy and retrenchment from this House. The Honourable the Mover of this motion suggested that the debate should take the form of two minutes' speeches containing practical proposals. From the nature of that suggestion I suppose he had in mind rather the suggestion of proposals for economy in detail. I would remind Honourable Members that, in replying to the general discussion on the Budget, I took the line that one must distinguish between economy in detail and major economies, which involve large changes of policy. I take it that it was this kind of economy in detail that my Honourable friend had in mind. As regards that I think that the steps which I have initiated do offer the most satisfactory way of pursuing the search for economy. But I will return to this subject again before I have done. As regards economy in principle, economy on a large scale which involves questions of policy, it is quite clear that the main subject which interests Honourable Members in this connection, the subject that has received the most general attention, is the question of the Army and of military expenditure; and therefore I should like to clear up certain misunderstandings which I think exist in the minds of Honourable Members, partly as to the actual situation and partly as regards what I myself have said on this subject.

As regards economy in detail, as applied to the Army, I would remind Honourable Members that there is being pursued now within the Army a domestic inquiry, an economy campaign, on very energetic lines. I am satisfied myself from what I have seen that they are working energetically in this direction. It is quite possible that there may be measures such as have been suggested by my Honourable friend, Colonel Gidney; there may be measures which they might take and which, for reasons of policy, they are not at present taking. I can only say now that I shall take note of all that has been said, and take the earliest opportunity of discussing it with the Army authorities. But I would ask Honourable Members to appreciate this—that at the Army Headquarters, since the introduction of this stabilised budget scheme, which I explained very fully in my budget speech last year, there has been carried out a really genuine and whole-hearted attempt to eliminate waste in every department of the Army. Now there is no apparent result from that, and why? Because, under the arrangement that we have introduced, the Army is left to effect such economies as it can within the stabilised budget figure, and it is left to apply the balance for carrying out the scheme of re-equipment and mechanisation which has very often been explained to the House. The full fruits of what is being done now in the way of elimination of waste will be apparent when that re-equipment programme is completed, and I hope then that, quite apart from any changes of policy, there will be a very substantial reduction in Army expenditure.

Now as regards the other heading, the heading of policy as applied to the Army, I do still maintain the position that I took up, namely, that at the present moment, on the eve of constitutional reforms, on the eve of the publication of the Statutory Commission's Report, which will probably deal at quite considerable length with questions of military policy and the

relations between India and His Majesty's Government in that connection, I say that, on the eve of the publication of this Report and the consideration of the questions that will arise out of it, it is impossible, as a practical proposition, for Government to tackle questions of changes in Army policy. And therefore I adhere to the position that I took up that we cannot tackle these major questions of economy in connection with the Army today. Now, Sir, a considerable number of suggestions were made to me by various speakers. It will be impossible for me, in the course of the time at my disposal, to reply fully in regard to all those suggestions. I can only say that I will go into all of them with great care.

My Honourable friend, Sir Cowasji Jehangir, referred, in the course of his remarks, to what had been done in Bombay as regards effecting substantial cuts. Now, as this raises a question of principle, I just want to take up his point in that connection. I would say this; the possibilities of economy at any particular moment depend very largely on the situation in which you find yourself. If you have behind you a long record of extravagance or, at any rate, looseness of control in public expenditure, you will be in the position of having a swollen Budget, with plenty of "meat on the bone" which you can cut off. Now I make no charges against Bombay, but I do say that, several years ago, Bombay did embark on very ambitious programmes (Hear, hear) of public expenditure, and I am not going to be impressed by the arguments that, because Bombay at a particular moment found that it could cut off 60 lakhs of expenditure . . . . .

Sir Cowasji Jehangir: I did not refer to capital expenditure; I referred to revenue expenditure.

The Honourable Sir George Schuster: I have no doubt that my friend referred to revenue expenditure, and that was precisely what was in my mind when I was speaking. I would refer my Honourable friend to the sort of comparison which he could make between the scale of expenditure in Bombay and the rates of salaries paid in Bombay, and the scale of expenditure prevailing in other provinces. I will not specify the provinces; that might be invidious. But I think my Honourable friend will find, and I have no doubt the subject will be dealt with in the financial sections of the Statutory Commission's Report, some evidence to support my contention that there was room for economy in Bombay. I am not going to be impressed, as I was pointing out, by the argument that, because at a particular moment Bombay found that 60 lakhs could be cut off, at this moment the Central Government have an equal margin for economy. I did not intend to bring this point up with any idea of criticising the record of Bombay, but I did intend to make the point to meet any attempt to draw a comparison between the situation in which we find ourselves today and the situation which existed when the last all-round 5 per cent. cut was made just prior to the appointment of the Inchcape Committee. I feel that the circumstances are entirely different, and that if this House were to adopt today such a course of indiscriminate restriction in expenditure, they might do a very grievous injury to the public service. That, Sir, brings me to a few remarks which I should like to make on the subject of retrenchment in general.

If retrenchment is to be of any value, it must be carried out with determination and with intelligence. It is no use having indiscriminate operations. In that way you will cut off good wood together with dead wood, and very likely, in the end you will find yourself landed not only in great waste as a result of the operation, but with an irresistible demand for restoring expenditure, which will come up with such a strong case that

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a good many wasteful items will creep in again with the necessary items. For a proper and effective retrenchment campaign, a long preparation is necessary. Before the Inchcape Committee was actually appointed, I believe that three senior officers of the Government of India were occupied for nine months in preparing the ground. Now, I should like to say that I am very grateful to my Honourable friend, Sir Purshotamdas Thakurdas, for giving the House the benefit of his experience in connection with that Inchcape Committee's inquiry, and I should like to say this—it is indeed a point which he touched on, but I should like to emphasise it still further—that the conduct of retrenchment inquiry, when it is carried out as it was by the Inchcape Committee, by an outside unofficial committee, is a tremendously disturbing factor in the conduct of Government business. It means—I have instituted inquiries of that kind myself in other countries—it means that, for a long time, the whole of your administrative staff is engaged in preparing memoranda and investigating questions for the retrenchment committee. I do not say that that is not work which ought to be done; but I would ask you to look at the realities of the case, because it was looking at the realities of the case, that induced me to take the line of action that I have taken. Look at the realities of the case and ask yourselves whether at this moment, when all Government officials are going to be very fully occupied with considering the constitutional reforms, it is the time to launch a large scale economy campaign. I feel quite certain myself that it is not.

Then, as regards expenditure and as regards the part that this House can play in dealing with the purpose of retrenchment—and I might almost say in strengthening the hands of the Finance Member in doing what he conceives to be his public duty—I can appreciate the point which was made by my Honourable friend, Pandit Hirday Nath Kunzru, that there are times when this House must discuss questions of policy in connection with the Budget. But I equally appreciate—in fact he took the words out of my own mouth—what was said previously by my Honourable friend, Sir Cowasji Jehangir, about the way in which the time of this House seems to be allocated when it comes to a discussion of the Budget. I was going to say myself that, in answering my Honourable friend's motion, I found myself with surprise, in the time allotted to the discussion of grants, actually called upon to deal with the Budget. Of course I appreciate the two and a half days' rest which I have had very much; but, as I have always been one who has been anxious to get public opinion properly and intelligently expressed on these matters, I should be prepared to take a much greater share in the debates, and I should welcome intelligent criticism and intelligent examination of the demands which are put before you. Now I should like to refer specially to the way in which I presented the budget proposals of this year, because I did so with the definite purpose of making it easy for this House to consider exactly where we were in our financial position. I was at great pains to show the House exactly what new items of expenditure we were asking them to approve this year. I have given a list of them, and there they are. If you want to stop the growth of expenditure this year, you know exactly where to put your finger on the spot and cut out the items. I did hope to accompany my budget papers with a full analytical report of the growth of expenditure in the last five years, so that you would not only have been able to see exactly what new expenditure was coming on this year, but exactly where the growth had come in the preceding five years. I am very sorry that, although much material was ready, it was not possible for me to present a report in a form which I felt satisfied to make public. I did take the opportunity to circulate to members of the Standing Finance Committee those departmental reports which my Honourable friend, Sir Darcy Lindsay, has mentioned in his speech. I think that the Standing Finance Committee cannot complain that they have been kept without full knowledge of the Government's financial position, and I look to my colleagues on the Standing Finance Committee to make intelligent interventions in the debate. To take certain particular items now out of that list of new expenditure, I have heard it said, merely by way of reference, by certain speakers in the course of the general discussion on the Budget, the country is too poor to afford expenditure on items like civil aviation and broadcasting. Well, if that is the sense of public opinion, surely it can be expressed in this Assembly. Those are questions on which the Government certainly have views, but undoubtedly also they are questions on which public opinion should decide. Let me take as an example, the question of broadcasting. I was myself criticised for having admitted an item of that kind. But in that particular case I said to my Honourable colleague, "At this time I cannot find money for this kind of expenditure unless you can convince me that there is an overwhelming demand from the public that the service ought not to be allowed to die out". What did he do? He approached the Leaders of the various Parties and presented me with a letter signed by all Party Leaders, and I said, "I must admit that you have proved to me, in the only way in which you can prove it, that there is a united feeling in this House that we ought to go on with that project".

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): May I ask the Honourable the Finance Member whether any suggestion was made by any Leader that further taxation should be resorted to in order to provide money for broadcasting, or was it mentioned to them that this could only be done at the risk of new taxation?

The Honourable Sir George Schuster: I am not aware exactly what took place between my Honourable colleague and the Leader of the Opposition.

Pandit Madan Mohan Malaviya: We signed it in the belief that, if there was money available, this was a matter to be considered. We never imagined that taxation would be resorted to in order to provide money for it.

The Honourable Sir George Schuster: Well, Sir, in every case the expenditure of public money involves either the maintenance or the imposition of taxation. I think that any one who had followed the course of affairs must have known—certainly any one who read the intelligent anticipations in the Press—must have known that there was at least an extreme probability that new taxation would be imposed this year, and if it was only on one condition my Honourable friend expressed his view, I think it was open to him to express that condition in clear terms.

Pandit Madan Mohan Malaviya: We shall be more careful in dealing with Government Members in future. But I withdraw my support to that proposition.

Dr. A. Suhrawardy: The Government should be more careful in consulting the Leaders.

The Honourable Sir George Schuster: I would suggest that that taunt is not well-merited. As a matter of fact, it makes absolutely no difference

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to my point. My point refers not so much to the past as to the future. The money has not yet been voted. Honourable Members have still their opportunity. Now they have a full and complete knowledge of the facts to express their views to the Government and to say that this particular item must be cut out.

There is another point that I want to make. Here we are and we put our proposals before you. We have put them before you as clearly as possible, and if Honourable Members do not take the opportunity to criticise particular items, then I maintain they cannot blame the Government if those are included and if money has to be provided. But, Sir, I do not want to close with any sort of controversial note in this matter, because through the whole of this debate, I have been trying to consider with myself how far I can go to meet Honourable Members. I would suggest to the Honourable Member, the Mover of this Resolution, that the appointment of any committee now would be inappropriate and badly timed. I will do my best to see that the report which I have in mind is ready to be distributed to the Members of this House at the time of the Simla Session. If it is not ready by then, it will be distributed very soon thereafter . . . .

Mr. President: Order, order. The House will now proceed to discuss the motion for adjournment of the House in order to draw attention to a definite matter of urgent public importance, namely, the imprisonment of Sardar Vallabhbhai Patel.

4 P.M.

MOTION FOR ADJOURNMENT.

ARREST AND CONVICTION OF SARDAR VALLABHBHAI PATEL.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, I wish to draw the attention of the House to the arrest and imprisonment of Sardar Vallabhbhai Patel, and to ask the Government to consider and declare the policy which they are going to pursue in relation to the movement with which it is related. It is important, Sir, to remember that Mr. Gandhi's movement represents the cry of India, at least of a very large section of the people, for self-government. Mr. Gandhi has resorted to this after a long period during which that cry has been before the Government. I do not wish to weary the House with the history of the reform movement. It is sufficient to say that when, during the period of the war, in 1918, the Government of India, on the suggestion of the Prime Minister of England, called a war conference, Mr. Gandhi was present at the conference and offered his whole-hearted support to the Government. It is hardly necessary to remind the House that, during the entire period of the war, Mr. Gandhi actually served the British Government. When the war broke out, Mr. Gandhi went about asking for recruits for the war. When Mr Gandhi found, after the war, that the hopes which had been created during the war were not realised, he had recourse to the non-co-operation movement. Since that time, the Congress and the country have made it clear that they are dissatisfied with the reforms which have been introduced, and the first Assembly, which met in this very hall, passed a Resolution declaring that it was dissatisfied with the reforms, and making recommendations for a fresh and satisfactory advance. During the last ten years this Assembly has many times

expressed its opinion as to the urgent necessity for further reforms and for the establishment of Dominion Status. During this period there is no important political association in the country which has not declared itself in favour of the establishment of Dominion Status. When the Simon Commission was appointed, it came as a shock to the country, and this Assembly knows how it was boycotted by all parties in the country. After the boycott had proved to be successful, His Excellency the Viceroy, showing great statesmanship and courage, during his visit to England, persuaded the Prime Minister and the Cabinet of England and leaders of important parties also to agree to an announcement being made holding out the hope that Dominion Status would be established at the next revision of the statute. His Excellency's announcement was so carefully couched that it created the hope that Dominion Status was in sight. It was so read by leaders of all parties who met at the Delhi Conference; it was so read by Lord Reading, by Mr. Lloyd George, and by Lord Birkenhead, who complained that it justifiably gave rise to that hope. Everybody knows what an excellent situation was created at that time. Mr. Gandhi and the leaders of most of the parties who assembled at Delhi, put forward certain conditions. But, after mentioning what was necessary to create an atmosphere favourable for the Conference, they said they assumed that Dominion Status was agreed upon, and that they were to agree at the Conference to the principles of the constitution to give effect to that idea. We assumed it, because we all felt that that was what the statement meant. We remember also the great speech which shortly afterwards Mr. Wedgewood Benn made in the House of Commons. That speech was one of the best we have ever been fortunate enough to read on the subject of India's relations with England. It was the speech of a man who wanted to stand by what he said, and who wanted not to disappoint the hopes which he created. It was the speech of an honest, earnest friend who wanted not to disappoint the hopes which the announcement of the Viceroy had created. He was much heckled; many efforts were made to make him draw away from the position he had taken up; but he stood to his guns and firmly adhered to the announcement, and that fact gave great satisfaction here. But subsequently Mr. Gandhi felt that, by reason of the discussions which took place in England and particularly the speeches of Mr. Lloyd George, Lord Birkenhead and Lord Reading, and also the comments of the English Press, it was not possible any longer for practical statesmen to assume that Dominion Status was virtually agreed upon, and he therefore felt it his duty, a week before the Congress, to meet His Excellency the Viceroy and ask for a definite assurance that Dominion Status was agreed upon. We know what answer His Excellency the Viceroy gave; he could not, speaking as the Viceroy, say anything more than he had said in his speech. No one could have found fault with that if the matter had stood there; but unfortunately, subsequently, Earl Russell, holding the high position which he does in the Labour Party, made a speech in which he clearly said, what Mr. Wedgewood Benn had stoutly refused to say, in spite of the invitation of Mr. Lloyd George, Lord Reading and others; and he repeated what others before him had said, that progress towards responsible government was to be made by stages. That created a great deal of dissatisfaction in this country, and I ventured to cable to the Prime Minister and to the Secretary of State to point out what effect it had produced and to urge that the speech should be authoritatively contradicted—otherwise it would create a disastrous effect. I had hoped that Earl Russell's speech would be contradicted; but it has not been

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contradicted! On the other hand, very unfortunately, in his last speech on the subject, His Excellency the Viceroy modified the position which he had taken up in the announcement. I do not wish to read what he said—it will be in the recollection of Honourable Members. The general effect of His Excellency's statement was to create an impression that Dominion Status was a distant goal for India and had to be reached after a long journey. That was the situation created by the speech of His Excellency.

Now, Sir, after that, reading the comments of the English Press, Mahatma Gandhi felt that the hope of Dominion Status being established in India was really very far remote, and he therefore wrote a letter to His Excellency the Viceroy to express his pain of heart that this should be so, and still to emphasise the urgent necessity of Dominion Status being agreed to. It is true that he had, at the Congress, adopted the resolution of Independence; but he had made it clear, in more than one place in his subsequent writings, that if full Dominion Status was agreed upon, the Congress would surrender and would accept that status. He has repeated it in his last letter. That shows, Sir, what an honest and honourable position Mahatma Gandhi has taken up. Now, we know His Excellency's reply—I am not blaming His Excellency for the reply, though I wish that it was a little less curt than it was; but the deplorable fact remains that Mahatma Gandhi has found that there is no hope of Dominion Status being agreed upon by the British Government. It is in this situation that he is launching his new movement in order to draw the attention of the British public and of the civilised world to the state of affairs in which India finds herself. It is not a movement of an ordinary character; it is not a movement for violating laws in the ordinary sense and acceptance of the word: it is a movement of civil disobedience—non-violent civil disobedience, a movement which is perfectly justifiable by law and to which no constitutionalist can take exception, a movement by which a person invites suffering on himself in order that attention may be drawn to what he considers an evil, a movement in which he who joins it pledges himself, takes the vow that he shall not use any violence in revenge, but that he will patiently suffer whatever punishment may be inflicted on him for disobeying the law. I do not know, Sir, that there is any other movement, short of open rebellion, which a nation placed as India is can in the last resort have recourse to. Some of us may not agree that this movement should have been started. I personally wish that it had not been started, at present, I wish a longer period had been allowed for negotiations and settlement. But I have drawn attention to the facts which I have mentioned to show that there is room enough, justification enough, in any impartial view, for Mahatma Gandhi and those who think with him, for believing that they have no hope of getting Dominion Status from the British Government; and if that is the conviction that has dawned upon Mahatma Gandhi, I ask every Member of the Assembly to say whether, having regard to the enormous importance of the early establishment of self-government in India, having regard to the vast interests which are at stake, Mahatma Gandhi was not justified in adopting what, according to his conscience and his light, was the only method of inviting the attention of Great Britain and of all the civilised world to the position in which India finds herself today. It is a movement of a very high scale; it is not a movement of the ordinary type. It is a movement with which even those who wish that it had not been started can sympathise and appreciate the motives of those who have joined it.

That, Sir, is the position. In the pursuit of this movement, Mahatma Gandhi has selected the much-hated Salt Act as the one he is going to disobey: he is going to advise the people to disobey the rule prohibiting the manufacture of salt. Sardar Vallabhbhai Patel is his first and best lieutenant. Mahatma Gandhi has made no secret of his propaganda; he has given Government every information which courtesy and expediency demanded, and Government are aware of what he intends to do. The Government have started by taking action in the matter. Sardar Vallabhbhai Patel was going to address a meeting at Ras, and the Government, without waiting to see what address he would deliver, issued a notice on him under section 42 of the Bombay District Police Act. That section runs like this:

"The Magistrate of the district, or in his absence and subject to his order, the Magistrate of the first class having jurisdiction in any town or village and present therein or in the neighbourhood thereof, may, whenever and for such time as it shall appear necessary, by a notification publicly promulgated or addressed to individuals, prohibit in such town or village or the vicinity thereof the carrying of arms, cudgels or other weapons, the carrying, collection and preparation of stones or other missiles or instruments or means of casting or impelling missiles, the exhibition of persons or of corpses or figures thereof, the public utterance of cries, singing of songs, playing of music, delivery of harangues and use of gestures or mimetic representations and the preparation, exhibition or dissemination of pictures, symbols, placards or of any other object or thing, which may be of a nature to outrage morality or decency or, in the opinion of such Magistrate, may probably inflame religious animosity or hostility between different classes or incite to the commission of an offence, to a disturbance of the public peace or to resistance to or contempt of the law or of a lawful authority."

Mr. Vallabhbhai Patel told the Magistrate he was going to disregard the notice, and before he had made his speech, he was arrested, tried and imprisoned.

Now, Sir, I ask the Government to pause and consider what this movement is and what it is likely to be. I can say that so far as my information goes, not less than 50,000 persons have already pledged themselves to go to jail, following in the wake of Mahatma Gandhi, and my own estimate is that, not less than a lakh of people will go to jail in pursuance of the preaching of Mahatma Gandhi. Of course he will start with a small number. But the numbers will grow to swell. What is to be the policy of Government? What are you going to do? I have been asked, "Should not the law be enforced? Should not a man who disobeys the law be punished?" Yes, by all means; but tell me, is that the policy with which you are going to deal with this movement? Is this a movement of the ordinary type? Is it an ordinary incitement to an offence? Do you think you can deal with this movement as you will deal with one of the ordinary crimes mentioned in section 42 of the Police Act? Can you forget that this is a movement of non-violence, a fight for a principle—that the Government of India should be a government of the people, by the people and for the people? Can you omit to consider that the object of the movement is to establish the principle, the great principle, that you cannot continue to rule India without the consent of the people? That is the point which has been raised, and I ask the Government to say whether they can, merely by prosecuting some people and putting them into jails, defeat this movement or make it subside? I submit that it will be an utterly vain thought to think that this movement can be dealt with in that fashion. The people who are joining it join it with deliberation; they are prepared

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to undergo sacrifice and suffering. You may inflict that sacrifice and that suffering, or you may not do so; but so far as they are concerned, they are prepared to undergo it; and the question the Government have to answer is, what is the right way of dealing with such a movement? I submit, Sir, that that question demands the immediate attention, not merely of the Government of India but of His Majesty's Government. I submit that the Government should now declare what policy they are going to follow. No man with any sense of responsibility will dispose of this big question by merely asserting that, if any body violates the law, he must take the consequences. In 1921-22, about 25,000 Congressmen were put into jail, under the operation of notifications which had been issued by Provincial Governments without the Government of India being consulted. I gathered from the reply of the Honourable the Home Member yesterday, that he had no information as to the section or sections under which this prosecution had been started. Is it right on the part of the Government of India, I ask, to leave Provincial Governments to decide what action they should take in dealing with a movement of this character? I submit it is not. The Government of India allowed the Provincial Governments . . . .

Mr. President: The Honourable Member must now conclude.

Pandit Madan Mohan Malaviya: Thank you, Sir. The Government of India allowed the Provincial Governments to take action without previously consulting them in 1921-22, which led to much undeserved suffering and yet failed to crush the movement. They cannot succeed in crushing the present movement in this fashion. I submit, Sir, that His Majesty's Government should be informed that the present is a very serious situation and that they should be prepared to agree and to announce that Dominion Status shall be established at the next revision of the statute. I submit that His Majesty's Government should be made aware of the full possibility of development of this movement and the evils which might result from the continuance of the present tension. I submit, Sir, that if His Majesty's Government do not think that this is a situation on which they should make such an announcement, if they will not respond to this reasonable demand, the matter will have to go before the League of Nations, of which India is also an original Member, and will have to be discussed before the bar of public opinion not only in England but in the whole of the civilized world. Not only in this country, Sir, but throughout the civilized world people will be watching the action of the Government, and, therefore, I say that the Government of India should not depend upon the policy of merely prosecuting such persons, but should immediately resort to a wise and statesmanlike policy, the only policy which can succeed, promise to India what is her birth-right, thereby avoid strife and suffering and bring contentment and happiness to the people in India.

The Honourable Sir James Crerar (Home Member): Mr. President, I rise to oppose the motion which has been moved by the Honourable the Leader of the Opposition. I do not intend to follow him in his recital of political events and developments of the last few months. I am not prepared to agree entirely, indeed in some respects I must dissent from the construction which he has placed upon them, and therefore if I pass them over without dealing with them in detail I hope that nothing will be inferred from my silence.

I cannot follow the Honourable and learned Pandit into these wide fields involving constitutional issues, possibilities of the future and the course of events in the next few months. It must be a plainly impossible task for me, even if I were competent and authorised to speak definitely and finally on these grave issues, to do so in the short space in which I can ask the indulgence of the House. The Honourable and learned Pandit has moved the adjournment of the House in order to call its attention to the arrest and imprisonment of Sardar Vallabhbhai Patel, and I propose to address myself directly and immediately to the definite and particular issue which he has raised. I think it is important that the House should have a clear conception of the law and of the facts in so far as I am in a position to give them. The Honourable and learned Pandit read rather rapidly through one section of the law. I will very briefly put before the House what the law in the matter is. The law under which action was taken begins with section 42 of the Bombay District Police Act, and I shall recite only the relevant words. It says this:

"The Magistrate of the district, or in his absence and subject to his order, the Magistrate of the first class having jurisdiction in any town or village and present therein or in the neighbourhood thereof, may, whenever and for such time as it shall appear necessary, by a notification publicly promulgated or addressed to individuals, prohibit in such town or village or the vicinity thereof . . . delivery of harangues . . . . which may be of a nature to incite the commission of an offence, to a disturbance of the public peace or to resistance to or contempt of the law or of a lawful authority."

Section 54 of the same Act prescribes that:

"Whenever a notification has been duly issued under section 42, or an order has been made under section 43 or 44, it shall be lawful for any Magistrate or police officer to require any person acting or about to act contrary thereto to desist or to abstain from so doing, and, in case of refusal or disobedience, to arrest the person offending."

Section 71 of the same Act prescribes the penalty for an infringement of this section.

Now, Sir, what were the facts? I have not yet received detailed reports, but I think I have got the essential facts. Sardar Vallabhbhai Patel was travelling through this area and notices of meetings at various villages had been given. I regret that I have to deal with matters which may be painful to some Honourable Members present, but I must be candid and honest in my recital of the facts. The authorities, judging by the nature of the speeches which had been made by this gentleman, advocating breaches of the law and non-payment of taxes and the boycott of Government servants, considered it necessary, in the interests of the peace of the district, to take action. Sardar Vallabhbhai Patel arrived at the village of Ras, where a crowd immediately assembled, and he began to deliver a speech. The notification in due process of law was served upon him having been framed by the First Class Magistrate of Borsad Taluka. He was called upon, in the terms of section 54 of the Bombay District Police Act, to desist. On his refusing to do so, he was arrested. He was tried before the District Magistrate and he pleaded guilty.

Well, Sir, those are the facts. But I must say something about the general position in which the authorities concerned had to deal with the matter. I have myself, Sir, a very melancholy recollection of the course of events in that particular district in the first years of the non-co-operation movement. It was a district in which the non-co-operation movement

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was extremely active. It was a district which had a bitter experience of that after-math of tragedy and terror from which many parts of India at that time and subsequently suffered. An important element in the population is the tribe of Dharalas, a notoriously turbulent tribe. I have a very clear recollection of the period immediately succeeding the non-co-operation times in 1921 and 1922, and of the consequences of that movement, which inspired, particularly in this element of the population to which I have referred, an habitual disrespect for the law. There resulted an epidemic of dacoities and murders, and it took the Bombay Government two years before peace was restored. Now, Sir, if the local Magistrates, realising the inflammable character of the material to which incitement of the kind I have mentioned had been made or were likely to be made, realising the probable consequences to the safety of the district and the public peace, had not taken action, I submit that they would have been guilty of a very grave dereliction of duty. I commend the courage and the resolution and the promptitude with which the local officers took action. Those are the facts. But the Honourable and learned Pandit has asked me to pronounce on the general policy of the Government with regard to the movement in which this may be treated as an incident. I do not propose to take it upon myself here and now to do so in my own words, but I venture to remind the House of the solemn words of admonition and counsel which were recently delivered in this House by His Excellency the Viceroy, in which he announced, in perfectly clear and unmistakable terms, what was the policy of the Government of India and of Government in India in this respect. I will take the liberty of reading a passage from that speech:

"It has, however, recently been announced that the immediate goal of some who claim to represent India is repudiation of the allegiance to the British Crown. It has further been made clear that those who desire to achieve that goal contemplate resort to the unconstitutional and unlawful methods of civil disobedience, and with reckless disregard of consequences, public profession has been made of the intention to refuse recognition of India's financial obligations, to which her credit has been pledged. I am confident that the great preponderance of Indian opinion, which is both loyal and sane, will, when it understands its implications, condemn decisively a programme, which could only be accomplished through the subvertion of the Government by law established, and which would strike a fatal blow at India's economic life. It is evident that there are already some who regard violence, whether of individuals or of mobs, as the speediest and most effective solvent of political problems. Between such persons and all who believe in ordered society based upon the sanctity of life and respect for property and other lawful rights and interests, there can be no composition and no truce. And although the very authors of the present policy deprecate, some on grounds of principle and some on grounds of expediency, resort to violence, they can hardly be so lacking in either imagination or recollection of past events in India as not to be able to picture the results in this direction which must follow, as they have always followed, from the adoption of the policy they recommend. It remains my firm desire, as it is that of His Majesty's Government, following the recently professed wish of the British House of Commons, to do everything that is possible for conciliation in order that Great Britain and India may collaborate together in finding the solution of our present difficulties. But it is no less incumbent upon me to make it plain that I shall discharge to the full the responsibility resting upon myself and upon my Government for the effective maintenance of the law's authority and for the preservation of peace and order. And in the fulfilment of this duty, I do not doubt that I should have the full support of all sober citizens."

That, Sir, is a statement of policy on the particular issues raised by the Honourable and learned Pandit which I shall not myself presume to endeavour to improve. When I spoke of the maintenance of law and order the other day I was reproached by one or two Honourable Members opposite for not having regard to other considerations which must be borne in mind

at the same time. I thought I had made it plain, if not at great length yet quite specifically and clearly, that the Government of India had those considerations in mind. I cannot pronounce on the specific issues which the Honourable and learned Pandit has invited me to pronounce upon, but I do say, this, that it is the desire of the Government of India to do all in its power to preserve all the conditions that are necessary to enable the policy which has been announced to be pursued, a policy which will, I trust, in the near future be developed, to preserve all the conditions which are necessary for the fruition of that policy. But, Sir, I cannot myself believe that breaches of the law, with whatever motive committed, that a course of action which is likely to inspire a general contempt for the authority of the law, is one which can possibly do good either to the political or to the economic or to any other interest of India. I cannot believe that. Another and a better way has been offered, and I trust that that other and better way will be followed. I repeat that nothing in the way of progress towards that goal will ever be contributed by breaches of the law and by the propagation of a contempt for law. If the Government and its servants in this particular instance have been compelled to take action, they have done so under the compulsion of a public duty any dereliction in which would have been open to the gravest condemnation. Sir, I oppose the motion.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, the Honourable the Leader of the House enlightened this House, and through this House the country at large, of what he was pleased to describe as the "broad issue" by quoting a part of a speech of His Excellency the Viceroy, and spoke of "the other and the better way." Sir, His Excellency the Viceroy not having, I believe, the constitutional powers of the Czar of Russia, is responsible to a higher authority, who is also responsible to a still higher authority, who is also responsible to the highest authority; the Viceroy's higher authority being the Secretary of State for India, his higher authority being the Cabinet, its higher authority being Parliament and the highest of all, the British people. We do not at present possess the view of the last authority, the British people, a referendum not having been taken on the Indian question. We are not admitted into the secret of what is going on in the Cabinet itself. Therefore we do not exactly know the conspiracies of Cabinet Ministers. (Laughter.) But we are in possession of the policy emanating from a higher authority than the Viceroy, namely, the Secretary of State and a still higher authority, namely, the British Parliament.

Now, Sardar Vallabhbhai Patel, who has now been arrested, is an old friend of mine. He was my leader when I was a No-changer. He appointed me as the spokesman of the No-change Party to reply to Pandit Motilal Nehru, the Pro-change Leader. My following stanchly his leadership brought on my head a vote of censure nine years ago in the All-India Congress Committee from none other than his intransigent elder brother, who sits today in the presidential Chair of this House. The censure motion could not be passed. The Mover withdrew it himself after discussion. His younger brother who stood by me had an overwhelming majority in the House. Sir, I am today dealing with a matter which is certainly one of deep personal feeling to me. I am certainly very much affected by it, but that apart, putting my feelings aside, I shall deal with the points of the

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Honourable the Leader of the House—that "broad issue" and "the other and the better way."

In opposition to the speech of His Excellency the Viceroy, which the Home Member quoted, I shall quote from a speech of a higher authority, the Secretary of State, who spoke on the 7th November, in the House of Commons. I was listening to it from my place in the Dominions Gallery. Here in this speech the Secretary of State says: "There has been a change." And what is that change? "We have got rid of the Birkenhead tone". And then he endorsed Mr. George Lansbury's thrilling message of love to India in these words:

"I will say love, that is, goodwill is the keynote of British policy. There has been an effort to make the Indian people realise the position which they occupy in the British Commonwealth, to give them an assurance of equality."

Sir, there is no love in the treatment accorded to Sardar Vallabhbhai Patel (Hear, hear.) and in the speech of the Viceroy on the broad issue, which really contradicts the speech of the Secretary of State on the still broader issue of love which Lord Birkenhead ridiculed. I can only say that I reject the authority of His Excellency the Viceroy and accept the authority of the Secretary of State. But above that authority is a higher authority, whose authority has been trampled under foot by the manner of procedure against Sardar Vallabhbhai Patel, by suppressing has right to express an opinion, by setting in motion the powers under the Police Act to deny him the right of expressing his opinion.

What did Parliament say? Parliament passed the following Resolution in December, with the approbation of all parties in the House, and this also happens to be the cardinal policy of the House of Commons to-day:

"That this House welcomes the evidence of the *co-operation* of Indian representatives in the settlement of the constitutional question and relies upon the Government of India to encourage goodwill by the sympathetic conduct of its administrative and executive functions, *particularly in relation to the expression of political opinion.*"

Sir, I do not know whether the Honourable the Leader of the House has served the cause of co-operation or non-co-operation by imprisoning Sardar Vallabhbhai Patel. That is a matter on which the future, and not I, will give an answer. I am at present concerned with what Parliament calls "particularly in relation to the expression of political opinion". I have listened to the speech of the Honourable the Leader of the House giving us the reason why Sardar Vallabhbhai Patel was asked by the Police to "desist" from expressing his political opinion. There are methods other than procedure of desistance emanating from a police authority, but here is the suppression of the right of what Parliament calls the "expression of political opinion". Therefore, today the Bureaucracy in New Delhi has trampled over not only Whitehall but Westminster. Whether the Indian nation will triumph over both is a matter, as I said, for the future. But, Sir, here is a first class constitutional issue raised today on the floor of the House by the great Pandit Madan Mohan Malaviya, to whom we are very grateful, namely, whether the Government of India, with the Viceroy as its head, is the Supreme Government, or whether, under the constitution, the British Parliament is Supreme. I am afraid it is the man on the spot who is all-powerful now. Realising this I think they were no fools who said that there is no use going to the Round Table Conference, which

is going to be held in London. But the Honourable Pandit Malaviya, perhaps wisely, thinks that Whitehall is not New Delhi! Be that as it may . . .

Pandit Madan Mohan Malaviya: Who will go to the Round Table Conference with Mahatma Gandhi in jail, or with Sardar Vallabhbhai Patel in jail?

Mr. C. S. Ranga Iyer: I do not think any Indian with a spark of patriotism in him will go to the Round Table Conference with Mahatma Gandhi in jail. (Hear, hear and Nationalist Cheers.) They have today not only imprisoned Sardar Vallabhbhai Patel, but they have imprisoned the idea of co-operation. Mahatma Gandhi will welcome it and Sardar Vallabhbhai Patel will welcome it. As for myself, in times of their prosperity, the leaders quarrelled with me, but in times of their adversity, I do not propose to desert them, but personal issues apart, I must say that the Government of India have, by arresting Sardar Vallabhbhai Patel in the manner in which they have arrested him, rejected the advice of the House of Commons, and have set up a higher authority in its place. Therefore, it is a first class constitutional issue. Why did you not proceed against Sardar Vallabhbhai Patel under section 124-A? That is what I want to know. Say that he preached violence and racial hatred and give him two years or three years, but why do you suppress the expression of political opinion? Surely, Sardar Vallabhbhai Patel has not set all the rivers and mountains of Gujrat on fire yet? (Laughter.) He had only begun his pilgrimage, and you have suppressed the right of the expression of opinion, although you were definitely told by the House of Commons not to do so. What you have been told in private by the Secretary of State, I do not know, but you have been definitely advised by the Secretary of State publicly to adhere to a policy of love, and you have rejected it, taking advantage of the fact that the Government in England is a minority Government. That is, Sir, what the Government of India have done. They have taken advantage of the fact that the Socialist Government is a minority Government and being a minority Government, it is not prepared to go to the country on the question of Indian Dominion Status straightaway. Though it is a very clever manoeuvre, still it is a manoeuvre which is not constitutional. The exhibition of such ugly tactics, at any rate, in the arrest of Sardar Vallabhbhai Patel should be condemned by every gentleman in this House who holds constitution dear. (Applause.)

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, the times are out of joint. The Honourable Pandit Madan Mohan Malaviya, in his motion for adjournment, has raised a question which has not been answered at all by the Honourable the Home Member. He asked the Honourable the Home Member to stay his hands and not to allow the Provincial Government, or the subordinate executive under them to take any drastic step and thereby undermine the constitution as they did unfortunately some 25 years ago. If the Government have not taken a lesson from the dark pages of their annals in the rule of Bengal, they are not likely to take any lesson from the present political situation. What was it for which the Honourable the Pandit asked for an adjournment of the House? It was not on the issue of imprisonment of a particular individual, but

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with regard to the circumstances that brought about the imprisonment of that particular individual. Unfortunately, the Honourable the Home Member has avoided that question altogether. He has given a reply which every student of law can easily answer. He has quoted certain sections of the Bombay Police Act. He evidently has never been in a Law College, as suggested by my Honourable friend over there. I do not know whether he was in any of the Inns of Court. Be that as it may, he has commended the action of the executive in putting Sardar Vallabhbhai Patel into jail, and what are his offences? Non-payment of taxes, boycott of Government servants and breach of law. Breach of what law? The Honourable Member has only pointed out certain sections in the Bombay Police Act. I am not familiar with the Bombay Police Act. But let us concede, for the sake of argument, that there is a provision in the Bombay Police Act, as stated by the Honourable the Home Member, but what of that? I ask him, in all seriousness, to say whether boycott of Government servants is an offence under any law of the country. As a lawyer of some standing, and perhaps not altogether inapt, I have some acquaintance with the penal laws of this country. I have not been able to come across any provision in any Act which says that boycott of Sir James Crerar, or for the matter of that, boycott of Sir Bhupendra Nath Mitra, or Sir Brojendra Lal Mitter, is an offence. In fact you will not be surprised to learn, Sir, that many of the orthodox Hindus have boycotted these two Mitras.

The Honourable Sir Brojendra Mitter (Law Member): Not you!

Mr. Amar Nath Dutt: I have not boycotted the two Mitras, because I happen to be a Hindu of advanced views. I am speaking of the orthodox community, which would not have any social intercourse with these two Kayastha Members. Is that an offence? Can the Honourable the Law Member himself, who adorned the office of Advocate General of Bengal, find out any section from the law of this country under which boycotting him is an offence? Then, as for non-payment of taxes, I also do not see any provision of law anywhere that non-payment of taxes is an offence under any law. For non-payment of taxes and for non-payment of revenues, you have remedies and summary procedures, which are not available to others. In spite of that, the Bombay Government took it into their heads to think that these are offences and, therefore, before he commits these offences, they wanted him to be put into jail. Perhaps there is some provision in the Bombay Police Act which enables the Government to put Sardar Vallabhbhai Patel into jail.

The Honourable the Home Member has said that he knew the district in the first years of non-co-operation, and wants to profit by his experience of those days. It recalls to my mind that during the Sepoy War there were massacres at Cawnpore and there was retaliation more ferocious, more savage and more brutal by the Britishers in those days. You remember, in the streets of Delhi, one of the descendants of the Great Moghal, was shot down by Captain Hodson himself, because the Indian soldiers would not shoot him then and there. Am I to understand that they are going to repeat those barbarities in the religious war which is going to be waged by the saint of Sabarmati? Rebellion, there is going to be, but who is responsible for this rebellion? Your dilatoriness in considering the case for India. That is the main point which our revered leader, Pandit Madan Mohan Malaviya, has placed before the Government. He wanted to warn you that you cannot imprison a whole population. You cannot

crush the movement. You can put some people into jail. But you can not imprison truth. It gets an electric elasticity within the dungeon walls, and shakes the whole world when it comes out. What is it for which Mahatma Gandhi and Sardar Patel are fighting? Some of us may differ from them, but I may be permitted to point out that the circumstances have been such, that the conduct of the Bureaucracy has been such, that they have been goaded to take the stand they have taken. It was in the power of the Government to prevent all these drastic steps, it was within your power to prevent the great body of political workers from taking the step which they took in Lahore last December, if you had only been a little in time and your time-table had not been a little too late. You came in with certain proposals too late, and what are those proposals? They are so vague that we cannot make anything out of them. You have been harping about them. When are you going to have the Round Table Conference? Do you want to expedite it or not? You cannot give us any assurance. You cannot say whether you are going to hold it in the near future. The other day we heard from the Honourable the Finance Member that we are going to have it within the next few months. Such vague expressions as "few months" are not going to satisfy us. Times are such that we cannot afford to lose time. If the Government are really serious, if the Government do not want to drive the people to rebellion—because I read in the papers that more than a lakh of people are willing to follow Mahatma Gandhi instantly, and if that be so, is it not in the interests of the people whom you rule, for whom you profess so much love and sympathy and whose trustee you proclaim yourself before the world, to be—what sort of trustee I do not know, but it was characterised some years ago by my Honourable friend, Diwan Chaman Lall, as a fraudulent trust and whether it was a fraudulent trust or honest trust, it does not matter—is it not in the interests of all that we should put our heads together and evolve a solution? In all seriousness, let us put our heads together and say, these things cease from today, let Indians and the British Government put their heads together immediately and find out a solution for this difficulty. First of all, release those men who are kept in jail. For what are they kept in jail? For the offence of loving their motherland. You may not approve of their action, but you cannot deny that they are actuated by the best of motives and that motive is nothing more than the liberation of their motherland from her thraldom. It may not be pleasing to you, but you ought to appreciate it as men who wrung from the unwilling hands of King John a Charter in the fields of Runneymeade in 1215 and up till now, for the past seven centuries, the history of your country has taught us all these things. If I have read your country's history well, I think we ought to have had some respect for the great English race, which liberated the slaves and carried the flag of liberty everywhere, save and except to this unfortunate land of ours. What glory would have been ours and what glory would be yours still if you unfurl the flag of liberty and take the unhappy children of this ancient and sacred land and march them on towards freedom. This is what our venerable leader, Pandit Madan Mohan Malaviya, asks you today; but you have not replied to that. You said that they had broken the law. Who does not know that? There may be certain provisions in your Acts which they have violated. But was that necessary? He wanted to draw your attention to the serious state of things which have resulted because you have not devised remedial measures. My Honourable friend Mr. Ranga Iyer has been

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pleased to remind you of some high authority and some higher authorities. I shall remind you, Sir, of one other authority, the highest in this astronomical universe, the bar of humanity before which you will be judged one day, if you do not take the right step today, and I invite you here and now to take the right step, and in all sincerity, I pray that you will still retrace your steps without indulging in the orgies of mad repression, and I appeal to you to act like sober people and take statesmanlike view of the situation and bring peace and prosperity to this unhappy land. (Applause.)

Mr. M. S. Aney (Berar Representative): Sir, the motion before the House has been opposed by the Honourable the Leader of the House. I propose to examine some of the grounds on which he tried to justify the action taken by the Magistrate of the district. The grounds on which the motion was argued by the Leader of the Opposition were of a broader nature, but the Leader of the House has deliberately tried to narrow down the issue, and confined himself to the limited task of defending the particular action, looking at the action of Sardar Patel as an individual act unconnected with the movement of which it undoubtedly forms the beginning or prelude. When a detached view of an action like that is taken, it is possible sometimes to find some plausible justification, but even from that detached point of view, I am trying to show the fallacy of some of the arguments advanced by the Honourable the Leader of the House. Why is it that the Magistrate thought that a particular speech that was going to be delivered by Sardar Patel was going to result in something so calamitous that preventive action was deemed necessary and indispensible? That is primarily the question which the Honourable the Leader of the House should have put to himself and answered. He has no doubt made an attempt to do that, and his reply implied that the Magistrate of that district was fully aware of the circumstances under which Sardar Patel was going to address the meeting. He had delivered several lectures before in that district, and the Magistrate therefore knew the trend of his speeches. If this was a fact, the Leader of the House should have informed this House as to how many lectures he had delivered before and for how long a period, what was the trend of those lectures and what were the consequences produced on the people by those lectures. One thing is quite certain, that Sardar Patel and men of his way of thinking are pledged to non-violence. In every lecture they are doing the duty of keeping the people under control, asking them to remain calm and undisturbed under any provocation. Although he had been delivering lectures inciting people to break certain laws, yet we have seen that, during all that period, there has not been any riot or any inclination on the part of the people to rise in rebellion. Can the Honourable the Leader of the House quote even one instance to show that any untoward event happened as a result of these lectures? If not, the District Magistrate, I maintain, had absolutely no justification to apprehend that the particular lecture which Sardar Vallabhbhai was going to deliver that day, and which he tried to prevent, would end in disorder and violence. And therefore his order, which requires some grounds of this nature before it is legally promulgated, is *ultra vires*. It is very easy for the Honourable the Leader of the House to defend that action here, because persons pledged to the policy to which men of the type of Sardar Patel are pledged, do not want to defend themselves in a court of justice. They do not want to recognise these courts as proper courts of trial. It is because of that

that many of the illegalities are perpetrated but remain unexposed. The Honourable the Leader of the House can conveniently stand here triumphantly to defend the petty District Magistrate and even applaud the courage and promptitude with which the District Magistrate has taken action. He can indulge in that sort of talk, because the accused in these cases do not want to try the real issues in a proper and legal manner, and bring out the full illegality and the impropriety on the part of the Magistrate in promulgating this order. And some of our friends even, on the other side, not fully knowing the law, as well as the circumstances under which this sort of high-handedness is perpetrated, feel diffident whether they have got the proper materials before them to oppose the view of Government. But I feel from the very argument which the Leader of the House has put forward, and the circumstances which he has narrated, that Sardar Patel has been delivering lectures in that district, which did not result in any disturbance of peace and order; there was no reasonable ground for considering that this particular lecture, for the prevention of which the order was promulgated, was going to result in any disorder. There is absolutely no basis for that. And I therefore think that the step is taken owing to an idea that a seditious movement was going to be launched, and as this was the beginning of it, they were obliged to stop that movement, and therefore they began action against Sardar Vallabhbhai Patel.

My second point is this. The situation of that district, of which the Honourable the Leader of the House seems to have personal knowledge, is described by him as very peculiar, and in describing the peculiarities of the situation, he referred to the old days of non-co-operation. I must confess that I have no personal knowledge of that district, but one of the things that struck me as something extraordinary was this. He said that, on account of the strong non-co-operation movement in that district in 1920-21 and 1922-23, there was an increase in crime, and it took Government nearly two years to restore normal conditions there. And therefore he said that, knowing all that previous history, it was necessary for the District Magistrate responsible for the peace and order of that district, to be very prompt and alert, and therefore he has commended his action, and my Honourable friends, who sit behind him, loudy applauded him, showing their approbation of that Act. But my point is this. In the first place I say that it is blasphemous to connect crime with the non-co-operation movement. One may say anything about the non-co-operation movement, and if you like you may call it a law-breaking movement, but let me tell the House that one non-co-operator like Mahatma Gandhi does the work of ten thousand policemen. He stands for a principle in which violence has no place, and if the non-co-operation movement was really working in that district for some time, it does not stand to reason that it has resulted in any crime there. Probably there was a criminal element already, which may have received support from some other source, and the Government are attributing the increase of crime to a movement which stands for absolute non-violence and nothing else. Unfortunately no statistics have been produced before us. What were the statistics of crime during these two years, as compared with the crimes that generally took place in that district in previous years? You talk of generalities here without giving the actual facts on which your conclusions can be justified. I should certainly like to know what was the average number of crimes which took place in that district,

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even after normal conditions were restored, and the number of crimes that used to take place there before and at the time of the non-co-operation movement. Had these facts been placed before us, I should have considered whether there was any foundation for the allegation. In the absence of these facts, I say, with due deference to the Honourable the Leader of the House, that it is blasphemous to assert that this was the result of the non-co-operation movement. It may be the result of many other intrigues which might have been deliberately used by the authorities to subvert the non-co-operation movement, and of many other diabolical movements, of which the enemies of non-co-operation wished to take advantage, and having worked for some time with the connivance of officials against the non-co-operation movement, they might have gone beyond control, and it took Government two years to check them. A position like that is quite possible in my opinion. It is no use making a dogmatic assertion that this was the result of non-co-operation. I repudiate that assertion with all the earnestness and emphasis I can command.

Then, Sir, there is a third point. After all what are these sections of the Police Act meant for? These sections and the discretionary power which is vested in the Magistrate under them are intended to be used only with a view to prevent crime. I ask the Honourable Members on the Treasury Benches whether they honestly believe that the step which the District Magistrate has taken is going to prevent the agitation that is going to be launched? Is it going to bring about the prevention of the crime of law-breaking? These sections are intended with a view to prevent crime. I ask the Government whether, with all their power of circumspection and their reason, they really think that the action taken by the District Magistrate of Ahmedabad is going to prevent the occurrence or prevent the starting of the great movement against which you now seem to have definitely ranged yourself? Would it prevent it or would it accelerate it? What will be the result at the end of it? Are you really conversant with the history of the non-co-operation movement during the year 1922 and 1923? What is the lesson you have learnt? Was it that, by action of this nature, the movement could be stopped? You have, on the other hand, in my opinion, accelerated the date of the no-tax campaign and have appealed strongly to those forces which will go to strengthen that movement and to give an impetus to the people to rally round the standard of Mahatma Gandhi with a greater earnestness, determination and vigour than what would have been the case in the absence of any action like this. That is the position. So it is not going to prove a preventive measure. From that point of view also it is a wrong policy to pursue in a matter of this nature.

For these reasons, Sir, leaving aside the question of broad policy, the issue which the Honourable the Leader of the House has carefully refrained from answering, and about which he quoted and acted on certain passages from the speech of His Excellency the Viceroy, leaving aside those broad issues for the time being, I confine myself to the arguments on which the Leader of the House sought to justify the action of the Magistrate. I hope I have shown that these are not the arguments by which he can successfully make out a case in justification of the step taken against Sardar Vallabhbhai Patel. These weapons are not going to help you in suppressing a great movement in the midst of which you and your administrative machinery in that district are likely to be swept away and washed out for sometime at least. Leave these methods of repression, be careful to reconcile public opinion and great leaders like Mahatma Gandhi; try to accelerate those political reforms by virtue of which you can solve these problems. Be careful about that, and not rely upon these rickety, and rotten weapons in your armoury for suppressing the great movement of Mahatma Gandhi. You must courageously but sympathetically face the situation, and if you want public opinion to stand by you, give in on those demands for which people have been clamouring. It is no use giving them stones when they are asking for bread. You are giving them stones and no bread. For these reasons, Sir, I strongly support the motion for adjournment.

Colonel J. D. Crawford (Bengal: European): Sir, I would like to place a somewhat different issue arising out of the matter which we are discussing before the House. There can be no one of us who is not absolutely and thoroughly alive to the aspirations of India, or to the knowledge that she desires to reach that goal as speedily as possible. The choice which we have to make in this House today is whether we get to that goal most speedily by constitutional means or by unconstitutional means. It seems to me, from what I have read in the papers, that there is a grave danger, if, unconstitutional means are followed, of a recrudescence of serious communal trouble. It is possible .....

Mr. C. S. Ranga Iyer: Is that danger really there or only in your imagination?

Colonel J. D. Crawford: I do not want to be interrupted. Many Members have recently returned to this House on what I can only interpret as a determination to work constitutionally. In the new circumstances thus created the leaders have been able to create an atmosphere in which there is hope of reaching that agreement amongst ourselves, the absence of which is really the obstacle to our setting up our own constitution in this country. The success of our efforts to win Dominion Status, I am convinced, depends upon the employment of constitutional means and on those lines my Group are thoroughly prepared to work with you.

Mr. M. S. Aney: Then why didn't you vote with us on the Executive Council issue?

Colonel J. D. Crawford: That is the issue. Do we believe in bringing pressure to bear by constitutional means? If we are agreed on that point, we must stand by Government in saying that those who seek to do it by unconstitutional means are wrong. (Interruption.) There are few who can fail to remember the very serious trouble that followed a similar movement some years ago. There are few of us who can fail to realize that it is the evil elements in society who take the opportunity of such movements and it is the poor ryots who suffer. I would therefore beg the House to consider that point and to come down on the side of real constitutional pressure.

Mr. Jehangir K. Munshi (Burma: Non-European): Sir, I am not in agreement with the policy laid down by the Congress at Lahore. I am against this movement for independence. I view with grave apprehension the campaign of civil disobedience started by Mahatma Gandhi. But these, Sir, are my own personal views. I claim the right to entertain my own views. I claim the unfettered right to express my views. At the same time

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I do insist that the fullest liberty of speech should be allowed to Mahatma Gandhi, Sardar Vallabhbhai Patel or any other man belonging to that other school of political thought, and I do maintain that, in depriving Sardar Vallabhbhai Patel of the elementary right of free speech, the Government of India have acted unconstitutionally. (Applause.)

Sir, I do not know to what constitution my Honourable and gallant friend Colonel Crawford referred when he sought to draw a distinction between constitutional methods and unconstitutional methods. Is Colonel Crawford for denying us Indians the right to express our views in this country? Are we not to have, in British India, the same liberty to express our views on matters of public importance as the people enjoy in England? If that is the constitution which Colonel Crawford is laying down for us, then I am afraid we must resort to unconstitutional methods. (Hear, hear.) But I do not accept Colonel Crawford's conception of the British constitution. We have a constitution which, if worked and administered in the manner promised by Mr. Wedgwood Benn recently in the House of Commons, should give us the fullest liberty to express our opinions and views and to discuss our programme, so long as—I am trying to reproduce his words from memory—so long as there is no commission of acts of violence or incitement to commit acts of violence. We were anxious to hear from the Honourable the Leader of the House whether the speech delivered by Sardar Vallabhbhai Patel incited any body to commit acts of violence, but we listened in vain.

Sir, only a few days ago the Secretary of State for India claimed on the floor of the House of Commons that there was "Dominion Status in action" in India. Now let us examine the Government of India's conception of "Dominion Status in action" as illustrated by the prosecution and imprisonment of Sardar Vallabhbhai Patel. Mahatma Gandhi and Sardar Vallabhbhai Patel had given warning days ago to the Government of India that they were starting this campaign of civil disobedience. The Government of India must have realized that, in the course of this campaign, speeches must necessarily be delivered. Having received this warning did not the Government of India apply themselves to this problem? Have they or have they not thought out what they were going to do when the emergency did arise? Were they, or were they not, in communication, with the Government of Bombay? Have the Government of Bombay communicated any views to the Government of India on this subject? Have the Government of India issued any instructions to the Government of Bombay? On these important points Sir James Crerar was studiously, amazingly silent. All that we are told is that Sardar Vallabhbhai Patel addressed a meeting; he had not completed his speech. The Honourable the Home Member has characterised that partly delivered speech as being an "inflammatory" speech. Now what does that signify? What does the Honourable the Home Member mean by an "inflammatory" speech? Has not the Honourable the Home Member sat here day after day listening to and replying to "inflammatory" speeches on the floor of this House? The real question is this. Did Sardar Vallabhbhai Patel preach violence? Did his speech incite the audience to commit acts of violence? That is the test which the Secretary of State for India has laid down; that is the only test that the Government of India can apply. (Hear, hear.)

But, Sir, what do we find from the reply given by the Honourable the

Home Member? We are told that a local petty Magistrate, without any authority either from the Government of Bombay or from the Government of India, makes up his mind on the spot, after hearing a partly delivered speech, and serves on Sardar Vallabhbhai Patel an order under the Bombay District Police Act. Sardar Vallabhbhai quite rightly refused to obey the order; and he was arrested. The Honourable the Home Member has told us triumphantly that Sardar Vallabhbhai Patel pleaded guilty. Guilty of what? Guilty of disobeying that most unconstitutional order (Hear hear.)

Now, Sir, I do ask the Government of India whether they can justify their attitude of treating a question of all-India importance, as a purely local matter. Is this movement, which, as I have said, is causing anxiety to a great many members of the Opposition in this House, to be treated in this manner by the Government of India? Should a petty local Magistrate be left to decide whether the leader of a great movement should or should not be arrested? Is this the Government of India's idea of "Dominion Status in action?"

Sir, my Honourable and gallant friend Colonel Crawford has offered sage advice to the Opposition Benches in this House to follow constitutional methods. I am one of those who stand by the Constitution, the British Constitution, as it is understood in the House of Commons and by the public in England, but certainly not the novel constitution which Colonel Crawford is trying to evolve for our benefit. (Hear, hear.)

Sir, the important issue, which the Honourable the Home Member has deliberately evaded, is this. Are the Government of India going to prosecute and imprison persons for expressing opinions or for preaching propaganda even though they do not commit and do not invite anybody to commit acts of violence? That is the principal question before this House; and to that question we are entitled to receive a clear and unequivocal answer from the Government of India. Are the Government of India going to prosecute Mahatma Gandhi and his followers in spite of their doctrine and methods of non-violence? If the Government of India prosecute and imprison them, then they themselves will be responsible for removing the dividing line between violence and non-violence and, by doing that, the Government of India will practically tell the school of political thought which is out for violence that there is no distinction between violence and non-violence, and the Government of India will be giving an impetus to the movement for violence which I am sure this House condemns. (Hear, hear.) Sir, the Government of India had three days to get the necessary materials to be placed before this House; and all that we have heard today is this fragmentary, evasive and unsatisfactory statement from the Honourable the Home Member. I feel, Sir, that the Government of India, either consciously or unconsciously, are treating this House with contemptuous indifference. Certain sections of the British Press have praised the action of the Government of India in arresting Sardar Vallabhbhai Patel. Naturally they assumed that, before such an important step was taken, the Government of Bombay consulted the Government of India and that with the approval of the Government of India, Sardar Vallabhbhai Patel was arrested on a broad question of policy; they never dreamt that the Government of India could allow this important question to be dealt with by a petty local Magistrate on his own authority and initiative. I wonder what the British Press would feel about our position in this country when an all-India

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movement of this type is allowed—if we are to accept the statement of Sir James Crerar *in toto*—to be dealt with locally by a petty judicial and executive officer. The issue before the House, Sir, is clear and specific: Is this House going to arm the Government of India with authority to arrest and imprison Indians if they deliver speeches which are unacceptable to the Government of India, regardless of the test laid down by the Secretary of State for India and in spite of the absence of violence or incitement to violence? Are we going to arm the Government of India with authority to refuse Indians the right of delivering speeches? If we extend our approval to this action of the Government, we shall express our approval of the policy of ruthless repression. We are not at the present moment concerned with the questions of non-co-operation or civil disobedience. We shall be voting for or against liberty of speech; we shall be voting for or against ruthless repression. (Applause.)

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, the motion before the House, as has been said, involves two issues. One is the personal issue, that is the arrest and imprisonment of Sardar Vallabhbhai Patel. The other is the issue of the broad policy to which reference was made by the Honourable the Mover of the motion, and also the Honourable the Leader of the House. Now, Sir, as regards the first issue, whether the arrest and imprisonment of Sardar Vallabhbhai Patel was justified under the law or not, I would only submit, Sir, that the Honourable the Mover of the motion himself did not seriously contend and did not seriously argue, that the action which was taken by the authorities on the spot was quite illegal and contrary to law. The burden of the speeches of the Honourable Members in this House has been that the Sardar was arrested and imprisoned before he had made any speech, that the right of public speech was taken away, and therefore the action of the authorities was unjustified. But if we carefully read the section under which the action was taken, we find that the next section shows that it is not the actual commitment of the offence by which a man makes himself liable to the penalty imposed thereunder, but also if a man is about to commit a particular offence, that is incitement for the breach of law, the man renders himself liable to the punishment. Now, Sir, it is clear, and I say it without imputing any motives to the action which was taken by Sardar Vallabhbhai Patel, and we know it very well that not only in this speech but in other speeches he was delivering, the Sardar was carrying on a strong propaganda, and that he was not only favouring but was actively prosecuting, a policy which involved a breach of law, and actually at the time of arrest, when a notice was served upon him, that very meeting which he wanted to address was for the purpose of inciting people to a breach of law, and therefore the action which was taken by the authorities at that time was perfectly within the boundaries of law and cannot be said to be in any way unjustifiable.

Now, Sir, as regards the broader issue of policy, I would submit that, as the Honourable the Mover of the motion has himself said, we are confronted with a serious situation in the country; there can be no doubt about it; we have seen that the Congress at Lahore has passed a resolution of independence. We know that strong propaganda is being carried on in the country, and people are incited to commit disobedience of laws, and peasants are asked not to pay taxes. People are asked not to take

money in the form of currency notes; people are asked to manufacture salt and disobey the law. The Honourable the Mover of the motion says that the cry of independence is the cry of the country. What does it mean? It means nothing but anarchy, disobedience of law and nothing but chaos in the country. Now, Sir, while I agree with the Mover that there is a large section of the people who support this cry of independence, I do not agree with him that it is the cry of the country. We have seen that, even very strong supporters of the Congress have resigned from the Congress on this very issue, that they did not subscribe to the cry of independence . . . .

Pandit Madan Mohan Malaviya: I said cry of self-government.

Maulvi Muhammad Yakub: No, no; but I say that many staunch members of the Congress have resigned the Congress because this resolution of independence was passed. Moreover my friend the Mover of the motion himself says that personally he does not agree with the programme which Mahatma Gandhi has launched; he says that he would have preferred that this programme should not have been taken up at this juncture. So, if this is the state in the country, if the state of the country is such that one lakh of young men are ready to disobey the law and to go to jail, I ask the Honourable the Mover, through you, Sir, whether Government ought to take any action under these circumstances or they should not, whether Government are responsible for keeping order in the country or whether they are not. I ask him through you, Sir, if the peasantry of this country, which number crores and crores, refuse to pay taxes to the zemindars, what would be the result? They talk of non-violence. It is preposterous. I do not know what the word non-violence means. I mean to say that violence does not simply mean any active commission of violence, striking a man with a *lathi* or shooting a man with a gun; I submit that at the very moment a man refuses to obey the law, or refuses to discharge a liability for which he is liable, he commits an act of violence. Violence does not mean merely physical violence; it means doing anything which is contrary to the law, or refusing to respond to a liability for which a man is responsible. It is rot to talk of non-violence. We know that the scheme of non-co-operation was launched a few years ago —it was also then said that it was a programme of non-violence—but we all know what was the result of that non-violence and—how much violence it created in the country. So, if the Government are not to sit with folded hands, they are bound to take some action. What action can they take? They can only take such action as the law authorises them to take. They can only ask the people to obey the laws of the country, and I think the Government would be guilty of a grave dereliction of duty if they did not take definite, strong and consolidated action for securing peace in the country.

Of course there is one thing, and I would like to warn the Government against committing that mistake; and it is this: that the programme of Mahatma Gandhi and his whole scheme is that they want to court arrest; they know that their scheme cannot succeed; they are in the wilderness, but they want to incite the people, and if Government starts a policy of ruthless repression, then certainly they would be playing into the hands of those who want to foment agitation in the country and they would be serving their purpose. What the Government ought to do, in my opinion, is that they should adopt a definite policy, a precise policy, a

[Maulvi Muhammad Yakub.]

policy which should run from one part of the country to another. They should give up the shilly-shallying policy and the slippery policy which they have been following for some time past. The state in which we find the country is the result, probably, of that policy which the Government have been pursuing. So I say, do not adopt ruthless methods of repression and thereby play into the hands of those who want to rouse the country against an orderly state by courting arrest, but adopt a definite and strong policy of maintaining order and law in the country. (*An Honourable Member*: "How?")

As regards the motion before the House, as I have just submitted, a vote cannot be taken on general policy. Under the Standing Orders, we are bound to give our vote on the terms of the motion before the House, and the terms of the motion are clearly there, whether the Government of India have done anything in bringing about the arrest and conviction of Sardar Vallabhbhai Patel, for which they are liable to be censured or not. I have not yet heard an argument from any Honourable Member in the House that this action, which was taken by the Government of Bombay, is such as to make the Government of India liable to be censured. (Cheers from the Government Benches.) Of course there is one aspect of the question more, and it is this, that these gentlemen who have taken up this policy of courting arrest, when any of them is arrested, congratulatory meetings are held and votes of congratulation are passed and the arrested people are garlanded when they go to jail. So it looks as if these people get what they want when they are arrested, and I do not see how we are logical in censuring the Government for doing a thing for which these people themselves are craving in their heart of hearts.

One point was made by the Honourable the Mover when he said, "Why do not the Government say that they are ready to give us responsible government in India immediately and then the whole thing will be settled?". I say, Sir, have we settled our own disputes? Have we decided among ourselves what should be the form of responsible government which India wants? ("Hear, hear" from the Government Benches.) We were holding a meeting of the leaders of the country, in order to arrive at a settlement among ourselves, the other day here in Delhi, and what did we hear in that meeting? We heard the people saying "This is not the time when we should arrive at a settlement; this is not the time when we should hold a conference to come to a reconciliation among ourselves." If that is the state of affairs among ourselves, if we do not know ourselves what form of self-government the country wants and what form of self-government will be suitable and proper for India, then how can we blame the Government that they do not make an announcement straightaway that they are ready to give us responsible government? I say, the key to the Indian problem is not civil disobedience or non-co-operation, or breaking of laws. The key of the problem is in the unity of the Hindus and Mussalmans; the salvation lies in bringing about a settlement between these two communities, and in settling the share which each of them will have when responsible government comes in India; and until and unless we have decided the question among ourselves, unless we have come to a settlement on this point, I do not think that Government are justified in making an announcement that we will straightaway be given responsible government. For these reasons, Sir, I oppose the motion.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): Sir, it seems to me that there is a vast conflict in the opinions that have been expressed by speakers who have preceded me. It seems to me, Sir, that there is a very simple issue and one issue only with which we are concerned. The Honourable the Home Member said that, according to section 42 of the Bombay District Police Act, an order was issued, prohibiting Sardar Vallabhbhai Patel from speaking for one month at public meetings and that order was disobeyed and hence followed the arrest, prosecution and conviction. Sir, I want the Honourable the Home Member to follow me for a minute if he will. It is very elementary that in every Code of penal laws, you have got two kinds of laws, one is preventive and the other is punitive. Now, the section with which we are concerned for the moment is section 42 of the Bombay District Police Act. It is a preventive provision, and I think the Honourable the Home Member will not dispute that proposition. Sir, in ordinary times, in normal circumstances, if the Magistrate in a district felt that there was some unexpected, some unknown emergency which had arisen, and if he resorted to a provision of this character on the spot, and if that was disobeyed and the authorities said, "Well, we must prosecute you and convict you", I could understand it. But is that the issue before us now?

Sir, the movement with which we are concerned this evening is a very well known movement. Here you have an organized movement of civil disobedience, which is going to be resorted to by a certain section of my countrymen. Now, the question before the House is not whether you agree with it or not. Sir, I, standing on the floor of this House, say emphatically that I do not agree with it. I want to make no secret of it. I will go further and say that I do not want to use this movement as a sort of threat or coercion so far as the Government are concerned. But, Sir, there is this movement in the country. Now, I want an answer to one question from the Government of India. The Government of India do not like it, I do not like it; your reasons may be different from my reasons; but we agree, I do not like it; and you do not like it. Now the question that I want to put you is this. Are you going to deal with this movement with the responsibility of the Government of India, or are you going to leave this movement to be dealt with by petty Magistrates in such manner as they may consider proper?

The Honourable Sir James Crerar: Certainly, Sir. I shall give the Honourable Member an immediate answer. The general direction of the policy is necessarily with the Government of India and it will remain with the Government of India, but to deal with an emergent situation which requires emergent action must necessarily be left to the responsible authorities on the spot.

Mr. M. A. Jinnah: Sir, I am very pleased to hear the first part of the statement. I am very glad that the Government of India realise that they must themselves, as the Government of India, as a Central Government, be responsible for direction of policy to maintain law and order, and I have no hesitation in stating here that I want you to maintain law and order. But are the policy and the reins of this policy to remain under you or in the hands of any petty Magistrate in a district? That is the question I want to ask, and I have got the answer.

[Mr. M. A. Jinnah.]

Then the Honourable the Home Member, in the second part of his statement, said that, in case of emergency, the question must be left to the officer on the spot to deal with. Sir, that statement is very easily made and it is difficult to challenge it. But now let us examine what was the emergency which justified this officer in passing this order? What was the emergency, I want to ask, Sir, to pass this order? According to the statement of the Honourable the Home Member, Sardar Vallabhbhai Patel had made several speeches before. Were those speeches against the law? Did he transgress the limits of law or did he not? I have no information. If he was going to make a speech or speeches of the kind which he had already made in regard to which he had already transgressed the limits of law, and if he had already committed offences or infringed the law, then, Sir, your proper course, the proper course on the part of the authorities in that district should have been that Sardar Vallabhbhai Patel ought to have been prosecuted long ago for an offence, but an order should not be passed which goes to the root of the principle of liberty of speech. Sir, the precedent that the Government of India are creating,—this is what I am afraid of and that is where the danger lies—the precedent they are creating is a dangerous precedent, and I want this House to understand that this is a very important issue. Do not let us be carried away for the moment with other side issues and various other arguments that have been advanced. What is the real issue before the House? Sir, I will read in the language, which is certainly much better than I can command, a small passage to the House, and I think any one who is a student of history and of political movements in other countries will appreciate this passage and will see the point that I am trying to impress upon the Government. "Liberty of opinion of course is open to abuse. . . . . ".

Sir Hugh Cocke: What is that book please?

Mr. M. A. Jinnah: It is called "American Government and Politics" by Beard, 4th Edition, Library Edition. It is not mine. It is the Library Edition of the House. Therefore, I think my Honourable friend Sir Hugh Cocke is now thoroughly satisfied.

Sir Hugh Cocke: Quite.

Mr. M. A. Jinnah:

"Liberty of opinion, of course, is open to abuse; it is constantly abused; but far more open to abuse is the right to suppress opinion and far more often, in the long history of humanity, has it been abused. Still all matters of sentiment may be put on one side. It is a hard, cold proposition: by what process are we most likely to secure orderly and intelligent government, by the process of censorship or that of freedom? On this question a comparison of English and Russian history is illuminating."

Do you want to follow the Russian history or the English history?

Dr. A. Suhrawardy (Burdwan and Presidency Divisions: Muhammadan Rural): Russia is the ideal now.

Mr. M. A. Jinnah: I think my Honourable friend is rather backward in his history. Russian history is not the modern history which he is talking of now. . . .

Dr. A. Suhrawardy: I am not.

Mr. M. A. Jinnah: I was not talking of India; I was talking of Russia.

Dr. A. Suhrawardy: I say that in India Russian history is the ideal.

Mr. M. A. Jinnah: I am very glad to hear it. But do the Government admit that?

Dr. A. Suhrawardy: I am not concerned with the Government.

Mr. M. A. Jinnah: I am not concerned with you then. I am concerned with the Government at the moment. I am sure the Government will not admit that, nor do they mean to follow that. When my friend is on the Treasury Benches, we may expect the Russian methods then. Sir, I shall continue to read the passage now:

"Again and again those who have attempted to stop the progress of opinion by the gallows and prison have merely hastened their own destruction by violence."

I therefore ask the Government not to allow, in the first instance, their policy and their programme to deal with this serious situation to be deflected in the slightest degree by the whimsical or fanciful action of a district officer about whom the Honourable the Home Member said that, if he had done anything else, he would have been guilty of a dereliction of duty. The Honourable the Home Member may stand there and support that officer, but let us remember that the Home Member did not know anything about it. He had no idea. I have not heard that the Bombay Government have been consulted. Therefore it comes to this—that there was no emergency and I maintain most emphatically that there was no emergency. Vallabhbhai Patel had made no speech or speeches which came within the purview of the Penal Code. My proposition before the House is that he ought to have been arrested long ago and convicted in due course, if he had and if that had been done, I should be the last person to stand up and complain against that. But the order under discussion was not warranted.

Mr. President: The question is that the House do now adjourn.

The Assembly divided:

AYES—30.

Acharya, Mr. M. K.	Kunzru, Pandit Hirday Nath.
Aney, Mr. M. S.	Lal, Mr. Hari Prashad.
Ayyangar, Mr. K. V. Rangaswami.	Lalchand Navalrai, Mr.
Bhargava, Pandit Thakur Das.	Malaviya, Pandit Krishna Kant.
Birla, Mr. Ghanshyam Das.	Malaviya, Pandit Madan Mohan.
Chaman Lall, Diwan.	Moonje, Dr. B. S.
Chetty, Mr. R. K. Shanmukham.	Munshi, Mr. Jehangir K.
Das, Mr. B.	Neogy, Mr. K. C.
Das, Pandit Nilakantha.	Pandya, Mr. Vidya Sagar.
Dutt, Mr. Amar Nath.	Rang Behari Lal, Lala.
Dutta, Rai Bahadur S. C.	Ranga Iyer, Mr. C. S.
Gulab Singh, Sardar.	Reddi, Mr. T. N. Ramakrishna.
Haji, Mr. Sarabhai Nemchand.	Sarda, Rai Sahib Harbilas.
Jayakar, Mr. M. R.	Singh, Mr. Gaya Prasad.
Kelkar, Mr. N. C.	Talatuley, Mr. S. D.

NOES—53.

Abdul Aziz, Khan Bahadur Mian.
Abdul Qaiyum, Nawab Sir Sahibzada.
Alexander, Mr. W.
Anwar-ul-Azim, Mr.
Banarji, Mr. Rajnarayan.
Baum, Mr. E. F.
Chatterjee, The Revd. J. C.
Coatman, Mr. J.
Cocke, Sir Hugh.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Crerar, The Honourable Sir James.
Crosthwaite, Mr. H. S.
Dalal, Dr. R. D.
Ferrers, Mr. V. M.
French, Mr. J. C.
Ghuznavi, Mr. A. H.
Gidney, Lieut.-Colonel H. A. J.
Gwynne, Mr. C. W.
Hamilton, Mr. K. L. B.
Heathcote, Mr. L. V.
Hira Singh Brar, Sardar Bahadur, Honorary Captain.
Howell, Mr. E. B.
Jawahar Singh, Sardar Bahadur Sardar.
Jehangir, Sir Cowasji.
Kikabhai Premchand, Mr.
Lamb, Mr. W. S.
Lindsay, Sir Darcy.
Mitra, The Honourable Sir Bhupendra Nath.
Mitter, The Honourable Sir Brojendra.
Monteath, Mr. J.
Moore, Mr. Arthur.
Mukherjee, Rai Bahadur S. C.
Noyce, Sir Frank.
Pai, Mr. A. Upendra.
Parsons, Mr. A. A. L.
Rainy, The Honourable Sir George.
Rajah, Rao Bahadur M. C.
Rau, Mr. H. Shankar.
Sahi, Mr. Ram Prashad Narayan.
Sams, Mr. H. A.
Sarfaraz Hussain Khan, Khan Bahadur.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Shah Nawaz, Mian Mohammad.
Slater, Mr. S. H.
Suhrawardy, Dr. A.
Tin Tut, Mr.
Tirloki Nath, Lala.
Yakub, Maulvi Muhammad.
Yamin Khan, Mr. Muhammad.
Young, Mr. G. M.
Zulfiqar Ali Khan, Sir.

The motion was negatived.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 11th March, 1930.

LEGISLATIVE ASSEMBLY.

Tuesday, 11th March, 1930.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

MESSAGES FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following two Messages have been received from the Secretary of the Council of State:

"I am directed to inform you that the Bill further to amend the Indian Income-tax Act (Amendment of sections 2, 23, etc.), 1922, for certain purposes, which was passed by the Legislative Assembly at its meeting held on the 6th February, 1930, was passed by the Council of State at its meeting held on the 10th March, 1930, with the following amendment, namely:

'For clause 11 of the Bill the following clause was substituted, namely:

"11. In sub-section (2) of section 66 of the said Act:

(a) after the word and figures 'section 32' the words and figures 'or of a decision by a Board of Referees under section 33A' shall be inserted; and

(b) after the word 'order' in the second and third places where it occurs, the words 'or decision' shall be inserted".'

The Council of State requests the concurrence of the Legislative Assembly in the amendment."

The second Message runs as follows:

"I am directed to inform you that the Bill further to amend the Indian Income-tax Act (Amendment of sections 14, 25A, etc.), 1922, for certain purposes, which was passed by the Legislative Assembly at its meeting held on the 20th February, 1930, was passed by the Council of State, at its meeting held on the 10th March, 1930, with the following amendment, namely:

'In clause 1 for the brackets and word "(Amendment)" the brackets and words "(Second Amendment)" were substituted.'

The Council of State requests the concurrence of the Legislative Assembly in the amendment."

Sir, I lay on the table the Bills, as amended by the Council of State.

THE GENERAL BUDGET—LIST OF DEMANDS—*contd.*

DEMAND NO. 36—FINANCE DEPARTMENT—*contd.*

Retrenchment throughout the Administration.

The Honourable Sir George Schuster (Finance Member): Sir, when the hour struck yesterday afternoon, I was just on the point of concluding my remarks. In order to make clear what I had intended to say in conclusion, I would repeat what I had just begun to say. I was taking the point

[Sir George Schuster.]

that, although I welcomed the expression of a desire on the part of this House for active steps towards retrenchment, I thought that the appointment of a committee, an unofficial committee, just at this time would not serve any useful purpose, and I asked this House to accept the action which I myself was taking as sufficient and as the most appropriate form of action at the present stage. I told the House that I hoped to have a full analytical report showing exactly the nature of the growth of expenditure and the causes of that growth during the last five years and I hoped to have such a report completed in time for the Simla Session, and I hoped then to place in the hands of all Honourable Members that report. But I also made it clear that I could not absolutely promise that such a report would be ready, but that I would do my best to see it was ready. I think that, if that action is taken, such a report will serve to show what particular items do require special attention, and I believe that, with that report in their hands, Honourable Members could consider what further action they would desire to recommend to the Government with greater intelligence and with greater value to the public than would be possible at present. I am quite prepared to discuss the matter further with leaders of the various parties outside this House, but I submit that this, in all the circumstances, will be the most useful course. It would be very difficult to get any committee, such as has been suggested, going at present, and with all the interruptions of business caused by the move between Delhi and Simla, I doubt if much useful work could be carried out before the time of the next Simla Session. I put these views before the House, Sir, and leave Honourable Members to form their own opinions on it.

Before I conclude, I should just like to make one reference to a particular item which is mentioned in the later portion of my remarks. I made some reference to the undertaking of new expenditure in connection with broadcasting. I should like to make clear on behalf of my Honourable colleague, the Member for Industries and Labour that, in stating that he himself had approached the leaders of various parties to obtain an expression of opinion, I was making a statement which was not quite correct. He himself did not make first move in the matter. He was actually approached by the unofficial leaders, and that in a sense strengthens what I had to say yesterday. But in connection with that incident, as I have had to mention it again, I should like to make clear to this House exactly what was in my mind. I had no purpose then of arousing a controversy or making any sort of counter attack. I had only this in mind. In a recent debate, the question was raised of the irresponsibility of the present Government, and that of course led to remarks as to the unsatisfactory nature of the present constitution. We all feel that the present constitution is not entirely satisfactory. I perhaps feel on my side sometimes—and that was what I was trying to express—that the irresponsibility or the irremovability of the present Government sometimes leads to a certain amount of irresponsibility on the part of the Opposition. Whatever the circumstances and conditions under which we have to work now, we have however to face realities, and we have to make the best of things as they are, and I, for one, have always tried to take advantage of the machinery which is available at present to obtain the fullest views from unofficial Members as to their opinion on matters of finance. For

that purpose, I have myself found the Public Accounts Committee and the Standing Finance Committee of the greatest possible value and I have thought it one of the most important of my duties to use the occasions provided by the meetings of those Committees to give to representatives of the unofficial parties the fullest opportunity to gain knowledge of the public finances and to instruct themselves in the handling of public finances. What I had in mind when I referred to those particular items was that I had hoped that, with those opportunities, we should get intelligent criticism of particular items when it came to the discussion of the Budget on the floor of this House, and sometimes one does feel, and I felt it last year, that a great deal of time is given up to other matters and that the constitution could be worked more effectively—certainly from the point of view of financial control—if more time were taken for the examination of particular items during the budget debates. It was simply an expression of my desire to make the fullest use of the present constitution that I had in mind when I made those remarks. I hope, Sir, that I have made my position clear, and I hope that I have also made it clear that it is our desire to meet the wishes which have been expressed as regards the critical examination of Government expenditure and as regards the exercise of the most rigid control of expenditure. I trust that whatever I have said as the procedure which we had in mind will satisfy Honourable Members on this question.

Mr. President: Does the Honourable Member wish to press it to a division?

Sir Hugh Cocke (Bombay: European): Yes, Sir.

Mr. President: The question is:

"That the Demand under the head 'Finance Department' be reduced by Rs. 100."

The Assembly divided:

AYES—45.

Abdoola Haroon, Haji.
Abdul Matin Chaudhury, Maulvi.
Abdullah Haji Kasim, Khan Bahadur Haji.
Alexander, Mr. W.
Anwar-ul-Azim, Mr.
Birla, Mr. Ghanshyam Das.
Chetty, Mr. R. K. Shanmukham.
Cocke, Sir Hugh.
Crawford, Colonel J. D.
Dutta, Rai Bahadur S. C.
Ghazanfar Ali Khan, Raja.
Ghuznavi, Mr. A. H.
Gour, Sir Hari Singh.
Gulab Singh, Sardar.
Heathcote, Mr. L. V.
Jehangir, Sir Cowasji.
Kelkar, Mr. N. C.
Kunzru, Pandit Hirday Nath.
Lalchand Navalrai, Mr.
Lamb, Mr. W. S.
Lindsay, Sir Darcy.
Malaviya, Pandit Krishna Kant.
Malaviya, Pandit Madan Mohan.
Mody, Mr. H. P.
Moonje, Dr. B. S.
Moore, Mr. Arthur.
Murtuza Saheb Bahadur, Maulvi Sayyid.
Neogy, Mr. K. C.
Patil, Rao Bahadur B. L.
Purshotamdas Thakurdas, Sir.
Rahimtulla, Mr. Fazal Ibrahim.
Rajan Bakhsh Shah, Khan Bahadur Makhdum Syed.
Rao, Mr. G. Sarvotham.
Reddi, Mr. T. N. Ramakrishna.
Scott, Mr. J. Ramsay.
Shafee Daoodi, Maulvi Mohammad.
Shah Nawaz, Mian Mohammad.
Siddiqi, Mr. Abdul Qadir.
Singh, Mr. Gaya Prasad.
Sinha, Mr. Rajivaranjan Prasad.
Suhrawardy, Dr. A.
Talatulev, Mr. S. D.
Yakub, Maulvi Muhammad.
Ziauddin Ahmad, Dr.
Zulfiqar Ali Khan, Sir.

NOES—34.

Abdul Aziz, Khan Bahadur Mian.	Mitter, The Honourable Sir Brojendra.
Banarji, Mr. Rajnarayan.	Monteath, Mr. J.
Baum, Mr. E. F.	Mukherjee, Rai Bahadur S. C.
Coatman, Mr. J.	Noyce, Sir Frank.
Cosgrave, Mr. W. A.	Pai, Mr. A. Upendra.
Crerar, The Honourable Sir James.	Parsons, Mr. A. A. L.
Crosthwaite, Mr. H. S.	Rainy, The Honourable Sir George.
Dalal, Dr. R. D.	Rajah, Rao Bahadur M. C.
Ferrers, Mr. V. M.	Rau, Mr. H. Shankar.
French, Mr. J. C.	Roy, Mr. K. C.
Gwynne, Mr. C. W.	Sahi, Mr. Ram Prashad Narayan.
Hamilton, Mr. K. L. B.	Sams, Mr. H. A.
Hira Singh Brar, Sardar Bahadur, Honorary Captain.	Sarfaraz Hussain Khan, Khan Bahadur.
Howell, Mr. E. B.	Schuster, The Honourable Sir George.
Jawahar Singh, Sardar Bahadur Sardar.	Slater, Mr. S. H.
Mitra, The Honourable Sir Bhupendra Nath.	Tin Tut, Mr.
	Yamin Khan, Mr. Muhammad.
	Young, Mr. G. M.

The motion was adopted.

Mr. President: The question is:

"That a reduced sum not exceeding Rs. 11,49,900 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Finance Department'."

The motion was adopted.

DEMAND NO. 77—NORTH WEST FRONTIER PROVINCE.

Mr. President: The House will now proceed to consider the Demand for Grant under the head, "North West Frontier Province". I understand the Central Muslim Party wants to raise a question on that Demand. This will take us up to the recess hour. In the afternoon we shall have to take up the grants in the order in which they appear on the Agenda. I had promised to give two hours to unattached Members, but I have not so far been satisfied that there is any agreement amongst them, and therefore we shall proceed with the order on the paper.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): With regard to the unattached Members, we did not give up the right, but we thought that, in the natural order of things, the very first motion of Sir Hari Singh Gour meets our point and therefore we did not think that any special time was necessary for us.

Mr. President: That is the Honourable Member's view. But Sir Hari Singh Gour said that there was some other cut in his name which he was going to move. I asked him to satisfy the Chair that there was general agreement; but as he could not do so, I thought I had better give it up.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): On behalf of the unattached Members, I may be permitted to say that we held several meetings and we came to the conclusion that it would serve the best purpose of the Assembly if we moved a few of the five per cent. cuts.

Mr. President: Very well. Why did the Honourable Member say that he would like to move some other cut?

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): He was unauthorised to do that.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to move:

"That a sum not exceeding Rs. 1,06,35,000 be granted to the Governor General in Council to defray the charges that will come in course of payment during the year ending 31st of March 1931, in respect of the 'North West Frontier Province'."

Introduction of Reforms in the North West Frontier Province on the lines of the Major Provinces of India.

Mian Mohammad Shah Nawaz (West Central Punjab: Muhammadan): Sir, I beg to move:

"That the Demand under the head 'North West Frontier Province' be reduced by Rs. 100."

The subject matter of my cut is the introduction of the reforms in the North West Frontier Province, subject of course to the safeguards, rights and interests of the minorities. Sir, the famous declaration of 20th August, 1917, promised constitutional reforms to all India. It made no invidious distinction between province and province. It made no unfair discrimination between the North West Frontier Province and the rest of India. We understand that a solemn pledge of the British people that India will, as quickly as possible, achieve the status of a Dominion holds good. That solemn pledge can never be recalled.

(At this stage Mr. President vacated the Chair which was occupied by Sir Zulfiqar Ali Khan.)

It therefore follows that nobody has got the right to deprive any part of India of the reforms which were given to the other provinces. If the Government were honest in their intention to concede the legitimate rights and aspirations of the Frontier people they should have introduced the reforms into the North West Frontier Province forthwith. If it is true—and there is no doubt that it is true—that the contentment and well-being of the North West Frontier Province depends on the attitude of the people of that province, then I submit that there should be no hesitation to extend the reforms to that province. However, the authors of the Montagu-Chelmsford Report thought fit, for reasons known to themselves, to exclude the North West Frontier Province and Burma from the operation of the Act of 1919. The Burmese, realising the gravity of the situation, set up a very violent agitation, as a result of which they were given a full-fledged constitution without further delay. Calm was restored in that province. But the people of the North West Frontier Province, living as they are under the iron heel of the Frontier Crime Regulation, were helpless. They have no freedom of speech and action. Hence the situation created by the Government is one of desparation. It has given rise to great dissatisfaction amongst the people of the North West Frontier Province. It has created great bitterness, and will probably lead to great agitation. The consequences of withholding the reforms from the North West Frontier Province are fraught with danger, and if there is any movement of civil disobedience in that part of the country, I say without hesitation that the fault will lie with the Government and not with the inhabitants of the North West Frontier Province.

Now, Sir, so far as this House is concerned, its verdict has been unanimous and emphatic on the question of the introduction of the reforms in that province. In 1921, Sir P. S. Sivaswami Aiyer moved a Resolution

[Mian Mohammad Shah Nawaz.]

recommending to the Government to appoint a committee to inquire into the question of reforms in the North West Frontier Province. In pursuance of that Resolution, a committee called the "Bray Committee" was appointed. It was presided over by our most popular and esteemed friend, Sir Denys Bray, whose absence we feel very much. The Committee thoroughly investigated the matter. It came to the conclusion that reforms must be introduced in the Frontier Province. It recommended that a Legislative Council, with an elected majority, should be given to that province. The Committee also came to the conclusion that the virile and manly people of the North West Frontier Province were as intelligent as the inhabitants of the other provinces, and they were not in any way inferior to the people in the rest of India. They arrived at the conclusion that the expenditure of the reformed Council would come to Rs. 42,000 and that this was quite a paltry sum. They, therefore, strongly recommended to the Government to introduce an elective system of government in that province without further delay. But I regret to say that Government have taken no action so far on the recommendations of that Committee. I say that Government have gone to sleep over the matter. Again, in 1926, my esteemed friend Syed Murtuza Saheb moved a Resolution to the effect that a dyarchical system of government should be introduced in the North West Frontier Province on the lines of the other provinces. The Resolution was adopted. In 1928 my Honourable friend Khan Bahadur Sarfaraz Hussain Khan moved a Resolution asking the Government that the Resolution of 1926 should be given effect to. The Resolution was carried. The debate that followed was very momentous. During the course of the debate, Lala Lajpat Rai, a towering personality, whose untimely and sudden demise was mourned throughout the length and breadth of India, made a sensational speech. He was then the Leader of the Nationalist Party. He advised the Hindus not to oppose the extension of the reforms in the North West Frontier Province. He further said that, if the Government were sheltering under the idea that the Hindus were opposed to the extension of the reforms in the North West Frontier Province, the Government were very much mistaken. He, however, prophesied that, even if the attitude of the Hindus was quite clear in favour of the extension of the reforms, the Government would still delay the reforms. Well, Sir, the prophesy of that Honourable gentleman, whose death we all mourn, has come out to be true. Last year a token cut censuring the Government for delaying reforms in the North West Frontier Province was carried. It was supported by all parties. I ask the Government how long are you going to delay the reforms in the North West Frontier Province? After all it is admitted on all hands that the people of that province are quite intelligent and clever enough to manage their own affairs. I say it is immoral on the part of Government to withhold reforms from that province. The Government are obstinate, and it is terrible when obstinacy spurs on.

Now, Sir, it may be said that there may be some financial difficulty. As I have already said, the Bray Committee recommended that the expenses of a Council, a Minister and an Executive Councillor would not exceed Rs. 42,000. Sir, if you will look into the budget figures of the North West Frontier Province, you will see that there is not much difficulty in the way of the extension of reforms to that province from the financial point

of view. The North West Frontier Province, Sir, can be divided into two parts, namely, the five settled districts and the five unsettled agencies. If you were to demarcate the money between the two areas, you would find that, in the North West Frontier Province there is ample money for the expenses of the reforms in the five settled districts. We are not concerned with the five unsettled agencies, and nobody wants the introduction of the reforms in that tract. Further I submit that the Government have no business at all to charge the province with the civil expenditure in respect of the Border Militia and the Constabulary which is kept in the five settled districts for Imperial purposes. On this point, Sir, I take the liberty of citing a passage from the Report of the Bray Committee, which should be conclusive. This is what the Bray Committee said:

"But more than half the expenditure is incurred not only on civil administration proper, but in connection with the tribal tracts and border defence. The revenue of the tribal tracts is insignificant and expenditure on border defence yields no return in revenue. It is obvious therefore that if the expenditure of districts and tracts is taken as a whole, the expenditure in a time of rising prices must outrun the revenue. The largest increases since the formation of the province appear under the head Political (28 lakhs) and Police (40 lakhs). These large increases are partly due to the larger forces of Border Militia and Frontier Constabulary now found necessary to counter the vast improvement in the armament of the tribes, and partly to the enhanced rate of pay of all ranks which have had to be advanced *pari passu* with the increase in the pay of the Indian Army. Thus, the principal rise in expenditure has been incurred for the protection of India's land frontier, and for that it is clear that India as a whole must pay. It is out of the question for the frontier districts to bear the charge. It was not borne in the old days by the Punjab, for the Political head was always Imperial."

It therefore follows that, if the financial system of the province is overhauled in the manner I have suggested, the finances of the province will be quite adequate to bear the costs of reforms. Sir, I beg leave to say that the Frontier Province should have been given the reforms on the lines of the other provinces. This legitimate demand is overdue. The Government should also bear in mind that a full-fledged constitution on the lines of the major provinces should also be given in future, whatever that future constitution may be. The inhabitants of the Frontier Province are entitled to it in equity, in justice, and in logic. Nobody can deny the right of reforms to the Frontier Province, which is a part and parcel of India. Honourable Members are aware that the North West Frontier Province was a part of the Punjab. It was separated from the Punjab in the teeth of opposition. The province is the creation of the Government; it is not the creation of the people. Had it been part of the Punjab, it is quite clear that the province would have enjoyed the full-fledged constitution of the Punjab. There is no reason why it should not be given reforms on the lines of the major provinces. Government, I think, should not be slow in this matter. They must not play delaying tactics. I request them not to sit tight, not to allow things to drift; serious consequences will follow if reforms are not given without further delay. We cannot wait for the new constitution, which may take two years or more to come into force.

Sir, no one can deny the right of people of the North West Frontier Province to reforms. It is an all-India demand. It is a unanimous demand both of the Hindus and the Muslims. It must be granted forthwith. Sir, I move my cut.

Maulvi Mohammad Shafee Daoodi (Tirhut Division: Muhammadan): Sir, the cut moved by my Honourable friend, Mian Shah Nawaz, relates to a very simple matter. It has been, as he has said, repeated from

[Maulvi Mohammad Shafee Daoodi.]

time to time. Government have been, on their part, always giving us hopes that the matter is being considered, carefully and anxiously considered, but we do not understand why the delay has been so long. On the other hand, we find that the recent action taken by Government in regard to the North West Frontier Province relates to municipal election of the city of Peshawar. We had many communications in regard to that sent to us. The people of Peshawar complain that, even this little thing, does not come up to the mark. Election in the municipality of Peshawar has been introduced in a very half-hearted manner. They tell us that half the seats have been kept reserved for nomination by the Government, and only one half has been open to election, and that election proceeding also is not based on any sound principle. They do first of all fix a ratio of representation of the different communities inhabiting the town, and having fixed that, they manipulated the franchise in the city in a manner which might give the same result. Sir, that is the information which we are getting from the people of that city. Government seem to be reticent on these points. I tried to know on what basis this little thing had been introduced in that province, but I have not been able to get to the bottom of it. However, it appears that the Government want to be very very slow in giving the birthright of the people of that province, and it is for that reason that our friend, Mian Shah Nawaz, wanted to repeat his cut of last year. He said, as we have just now heard, that that towering personality, the late Lala Lajpat Rai, whose memory is so fresh in our minds, supported the measure whole-heartedly and he pleaded on behalf of the majority community in the Frontier Province, and asked his fellow Hindus in that province not to have any suspicions against the majority community, and to be prepared to fight for the reforms in that province. It had its effect, I know, because the Mussalmans of that province, who have met us since then, have been assuring us of the good feeling prevailing all through the province. The Muslims had the wisdom to satisfy the aspirations of the minority community in that province; they have been giving them all proofs of their goodwill all the time.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): But they are not satisfied.

Maulvi Mohammad Shafee Daoodi: I am told they are not satisfied by my Honourable friend, Mr. Gaya Prasad Singh. But I do not think his information is first hand; he might have read some of those papers which are engaged upon something in the name of nationalism, which is really the bitterest of communalism. I think his information is derived from some such paper; otherwise those who are living in that province and those who have their interests at stake in that province have given me information—I have got it personally—that they are satisfied with the assurances and with the dealings of the majority community in that province. I think Government can have no more excuse on that account.

But it appears to me, Sir, that there is something else behind it. It is not the Hindu-Muslim question or the majority and minority question in that province that keeps the province away from the ordinary reforms that we have here. It is something political, something of military strategy that prevents the people of the province from enjoying even that much of reform which we are enjoying in the other provinces. It is therefore necessary that the non-official Members here should lend their support, so that the Government's hands might be forced, and Government must understand that considerations other than those which are internal cannot

weigh with the people any longer. The political considerations, if the Government have any, must be placed before the House; they were certainly placed before the Bray Committee which was appointed for the specific purpose of finding out all the truth about it, and they were examined at that time at great length, and our old friend, Sir Denys Bray, whose memory we will always cherish in this House, dealt with the whole thing in a very equitable manner and came to the conclusion that the Frontier was the one province in India which must enjoy a far higher standard of administration than it was doing at that time. The military or political considerations which the Government have in their minds are their own creation. It is not for me to dwell upon those points here. Our learned friend, Nawab Sir Abdul Qaiyum, is sitting to represent the views of the Frontier Province, and he might enlighten us on that point if the Government are not going to disclose their cards on this point to the House. We have been pressing all the time for these reforms for no other reason than this, that the people there have been deprived of those little things which have been enjoyed by the most backward tracts in other parts of India. That is the sole reason why we have been pressing this point from time to time. Of course we have got to wait now and see what the reasons are which the Government put forward on this occasion for the delay that we have experienced, even in the introduction of elections in municipalities, and things like district boards in that province. We have got to wait and see what the Government have got to say on this point.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, the present question is practically between the Central Muslim Party and the Government (*Mr. Fazal Ibrahim Rahimtulla*: "Question.") and I would be very much interested to hear the reply of the Government on this particular question. If the reply is not assuring, then I would like the Central Muslim Party to consider whether the attitude which they have taken up uniformly in this Assembly should or should not be revised. (Hear, hear.) As far as the other parties are concerned, they will have sympathy for them. . . .

Dr. A. Suhrawardy (Burdwan and Presidency Divisions: Muhammadan Rural): What party is the Honourable Member speaking for? I thought he belonged to the Independent Party, but is he independent even of the Independent Party?

Dr. Ziauddin Ahmad: Sir, I have been connected for a very long time with generations of students from the Frontier Province, and I can say from personal knowledge that they are second to none in intellect and capacity for administration. They are as competent to carry on the affairs of their province as the people of any other province. I had, as I just said, opportunity to talk to the students of the Frontier Province year after year, and until two years ago, they had a tacit faith in the tact, common sense and the influence which my Honourable friend Nawab Sir Abdul Qaiyum exercises on the Treasury Benches, but recently I have noticed they are losing faith.

(At this stage Mr. President resumed the Chair.)

They are feeling convinced that the tact, good sense and moderation of my friend, Sir Abdul Qaiyum, does not pay them. One of the students went even so far as to remind me of the speech which Sir Bampfylde Fuller once delivered in Aligarh in 1911, soon after the annulment of the partition of Bengal, when he said that the loyalty of the Muhammadans did not pay

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so much as the bombs of the Bengalis. The student added that the revolutionary methods which they were contemplating would pay better than the moderation of the older generation. Sir, these are very important points, and I am convinced that, if these reforms are delayed for a very long time, the young men will get out of hand and to achieve the same form of Government which other provinces are enjoying they will use every method which young men all over the world are accustomed to adopt when they get desperate.

Khan Bahadur Sarfaraz Hussain Khan (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, I rise to support whole-heartedly the motion of my friend Mr. Shah Nawaz. Eight or nine years ago this question was discussed. A committee was subsequently appointed under the Chairmanship of Sir Denys Bray. This Committee went over the province and made a thorough inquiry and collected a large amount of evidence. Now, I want to know if any result has come out of all that. Again, Sir, ten years ago, my friend Sir Sivaswamy Aiyer raised this question in the first Assembly, and then after that, cut after cut was moved in the House every year. I remember one of those cuts was moved by my friend, Sayyid Murtuza Saheb Bahadur, and I also had the honour of moving a cut, but up to this time, nothing has been done. I do not know what is in the mind of the Government. People of other provinces all testify to the fact that the inhabitants of the North West Frontier Province are as capable and as intelligent as the people of any other province in India. So, taking all these things into consideration, I do not understand why, when every other province in India has been given the right to manage its own affairs, the North West Frontier Province is deprived of that privilege. In these circumstances, Sir, I whole-heartedly support the motion moved by my friend Mr. Shah Nawaz.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, with reference to the question of reforms for the North West Frontier Province, as it has been raised by the Central Muslim Group, I am desired by my party to say that we have been meeting in a conference to try to settle our political and communal differences. Some Members of the Central Muslim Group and some Members of other Groups of this House are Members of this Conference and have been taking part in its deliberations. The question of reforms for the North West Frontier Province is included in the 14 points comprising the Muslim demands, which have been placed before the conference by my Honourable friend Mr. Jinnah on behalf of the Muslim community, and are under discussion at the conference. It seems to us very desirable that in the interests of a settlement which should be acceptable to all parties concerned, we should not commit ourselves to any opinions on this question today. Individuals hold different opinions. My party, therefore, after mature deliberation, has come to the conclusion that, in the circumstances of the case, Members of the party should not take part in this debate and that the party should abstain from voting. We have decided upon this course so that, from our side at least, nothing should be said or done which may hamper or perhaps have a prejudicial effect on our deliberations at the conference.

Maulvi Abdul Matin Chaudhury (Assam: Muhammadan): Does it mean that you are to go back upon what you said last year?

Pandit Madan Mohan Malaviya: We have not said a word to justify that view.

Nawab Sir Sahibzada Abdul Qaiyum (North-West Frontier Province: Nominated Non-Official): Sir, another year has passed, and we have to repeat the old story of the reforms for the North West Frontier Province. But today I do not find the same enthusiasm on the part of Members of this House to speak on this subject as they had before. Is it because their request, repeated time after time, has not been attended to by Government, and they have become so thoroughly disappointed and disgusted that they would not like to waste more time, or whether, as my friend Mr. Abdul Matin Chaudhury asked, some Members of this House, or a certain section of the House, had changed their minds and were going back upon an opinion which they had expressed before? Well, Sir, I do not think the latter is the case. I do not believe that they are likely to change an opinion which they had arrived at after mature consideration, after prolonged debates and after a very careful study of the whole case. I therefore conclude that they do not really see any advantage in passing Resolutions after Resolutions, which can produce no effect upon the Government. Perhaps, they think that it is not a question of Hindu-Muslim differences, that it is not a question of financial difficulty, that it is not a question of the will and wish of the people of that province for an advance that hinders their progress but that there is some other secret unknown to us in this House which deters Government from arriving at an early conclusion on this burning question of the day. It is just possible that Honourable Members do not want to stir up matters by making long long speeches, with the possibility of getting into difficulties over the details of the question of the protection of the rights of the minorities or some such thing.

Sir, I am quite aware, as the Honourable Pandit Malaviya has just pointed out, that there is a conference going on for the settlement of differences and disputes between the various communities in India. Not only that, Sir, but that the Report of the Simon Commission is also expected shortly, and nobody can anticipate what the position of the North West Frontier Province will be in that Report. Well, if the Honourable Pandit means that no advance, whether for the North West Frontier

12 Noon. Province or for the whole of India, should be made until we come to some sort of settlement of the various questions engaging our attention, I am in full support of that view and feel sympathy for him—no further advance, not an inch of advance beyond what we have already got should be made until we have patched up our differences and disputes. Sir, I am referring to the further advance and say that there should be no Dominion Status or Independence, until we have settled our differences. That is quite a different point and it does not apply to the North West Frontier Province alone or to the delay in the extension of the present reforms to that province. We do not ask for anything further for the present. All that we ask is what has been decided upon for the rest of India and which the rest of India has been enjoying for a decade now. Our plea is that we are part and parcel of India and that we are fit for the exercise of those rights and privileges. Well, even, there I am prepared to meet the wishes of the Pandit Sahib if the present reforms are kept in abeyance, until we come to some decision among ourselves, whether through the All-Parties Conference or by some other means. But if the other provinces are going on with their reforms and deriving whatever benefits there are—I myself don't believe there is very much in them—I must repeat it once more, why should I be kept back from those advantages?

[Nawab Sir Sahibzada Abdul Qaiyum.]

A certain goal has been fixed for us, to be reached by certain methods, and the road to that goal has been chalked out for us. Unless we follow that route, we can never hope to reach the goal. We are in the first primary class. There were others too with us in that class. Somebody, by the stroke of a pen as the result of some whim or imagination, thought that there should be a separation between us and the rest of the good old Punjab. Ever since the separation, the Punjabis have been passing from class to class, and they are about to pass the primary examination, while we are still in the infant class. Is it going to be for ever? If that is the case, and if we are to be kept where we are, then I will have . . . .

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): No option except civil disobedience?

Nawab Sir Sahibzada Abdul Qaiyum: No option but to curse my stars and abide by what the decision has been, but I must be told that there is no advance for me. If the idea is that we should go back to some old system that existed in India or in our borderland, even that should be announced to us, and I personally shall not be sorry if we are allowed to go back to the old feudal system. Perhaps there will be a better chance for me there, but we are dead tired of this stationary condition—neither going forward, nor allowed to go back, and practically kept in a kind of mental jail for such a long time. That is the position. The signs are that there is an idea of our being sent back to the old position. What are the signs? The signs are that, while we were in the full exercise of all the rights and privileges of Indian citizenship ever since the annexation of the Punjab, and were rather better off in many respects, as compared with the rest of the Punjab, or as a matter of fact we had some superiority over them in education and in other capacities for Government services, we are now said to be backward, and the stigma of incapacity is attached to us. While the old Frontier Crimes Regulation could not inflict more than a fine of a thousand rupees in order to compensate a complaint, the Frontier Crimes Regulation can now inflict a sentence of 14 years and replaces the ordinary criminal laws of the country in many respects. It is a very simple procedure. You have not to face the bar, the ever increasing bar. All that you have to say is that judicial proof is not enough and that you would rather like the case to be sent before a Council of Elders, a people whom you consider unfit for opening a new road or a new school. You refer the case to them after the trained police have failed to trace the guilty, after a Magistrate, with his judicial knowledge and long experience, helped by high class barristers and pleaders, has failed to come to a conclusion whether a certain person is innocent or guilty. Then you say: Let the Council of Elders give a verdict as to whether a person is guilty or innocent, and on that verdict you sentence him to 14 years' imprisonment if declared guilty by that body—the same body which you cannot trust with the repairs of a road here or of a school there!

Sir, we are either fit or unfit. If we are unfit, then you should not pass such heavy punishments on our verdict, especially when others, more experienced than ourselves, have failed to come to a definite conclusion, people who, having heard the evidence and having inspected those parts, are unable to form a correct judgment. Well, Sir, I do not believe that we are unfit, because some of our people, even though they may be

illiterate, exercise fairly high judicial powers as Honorary Magistrates and Munsiffs. Does anybody mean to say that they have been given those powers without due regard to their fitness or to the fact that they will exercise them in the right way? Surely, the authorities who have invested them with those powers know something about their capacity for judgment and various other qualifications which are necessary for the discharge of magisterial duties. I am not convinced, therefore, that I am inferior in any respect to any other citizen of India, intellectually, physically or patriotically. I have been linked up with India, not only since the advent of British rule, but I had been a part and parcel of the Punjab even during the Sikh and the Durrani regimes, and God alone knows since when I have been linked up with this country! My association with India has been so long that I have adopted Urdu as my *lingua franca* in preference to my own mother tongue, Pushtu. All our official records and speeches, and even the elementary and primary education, are prepared and carried on in that language. Nor is this the only sacrifice that we have made for being called Indians; we have sacrificed at the altar of this country our culture, our ways of thinking, our manners and customs, and even our dress. Sir, if we are really part and parcel of India and have been so for ages and centuries, and if there is nothing so far to show that we are incapable of exercising our rights educationally, then I see no reason why we should be deprived of our privileges. My friend Dr. Ziauddin Ahmad has just now said that he gets hundreds and hundreds of students from my part of the country and he has found them to be much above the average, so much so that the much coveted office of the Vice-President of the Union of the Aligarh University has been captured three times by our students during the last three or four years. My friend Mr. Jinnah can also testify to their merits, because once he was the Umpire of a very great all-India competition in speech making, when the first prize was won by a Frontier student. All this, Sir, is with regard to my intellectual capacity.

As regards the expense, my friend, the Mover, has explained the situation very well. Only Rs. 43,000 will be the extra amount that will be required for the introduction of the reforms. There is the salary of a Minister at Rs. 2,000 per month. Let there be no paid Minister. Let somebody come forward as an honorary worker. Let even that Minister be some official. All that we want is the liberty of speech for ventilating our grievances. What makes us all the more despondent is that, even what there is in the Government of India Act for us, for instance, the Advisory Council, we have been deprived of. You take our advice at present about the guilt of a person, but you are not prepared to take our advice about the spending of a small sum of money under the head Education or Sanitation or Medicine or some other things of the sort. Why cannot you take our advice under these heads? The advice will not be binding on you, just as the advice of the Honourable Members of this Assembly is not binding on you. Where is the harm?

Then, Sir, when we were part of the Punjab, certain rules and regulations under the District Boards and the Municipal Acts were applicable to us, and we did fairly well under those laws. Now, when the changes have been made in those Acts and elective systems have been started in various places, we find that we have been deprived even of those privileges. I notice, Sir, that there is an idea prevailing all over the country that we are going to have something like the Morley-Minto Reforms. My

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friend Dr. Gour is perhaps one of those who are of that opinion. Does he mean to say that, when we have not started with the alphabets of these Reforms, we shall get the Morley-Minto Reforms even if we were prepared to accept them? So far as my limited knowledge of these things go, I am of opinion that, unless you start some sort of elective system in the district boards and municipalities at once, you will not be able even to efficiently form your Morley-Minto Councils. Have you done that? Is there much difficulty about the introduction of the elective system in our district boards and municipalities? A step was taken to introduce this elective system in the Peshawar Municipality; and what was the result? The result was very satisfactory. No heads were broken, as was apprehended, and there was no stoning, etc. In fact, we even scored over Lahore and Delhi and many other places, in that we elected from all the five constituencies five graduates, who were young men with legal qualifications, unlike Lahore, Delhi, etc., where at one time barbers and sweetsellers and even sweepers were elected. If we were unfit for the elective system, we might have proved ourselves unworthy of the recent elections. Of course, it is possible that some people might not have been satisfied with the result of the election, because all oldish people like myself, were out of it. I am no longer a municipal commissioner. I was there quite recently and if I do not find my place there, that is quite natural. One of the places has been filled in by the same young man who won a prize at Aligarh—I mean Mr. Ataulla Jan, and several others of that class have won the elective seats. Surely that is not a bad result. As I say, there was no head-breaking at all, so why should that process be stopped from extension in other municipalities? Sir, there is a Persian proverb which says that a love story is always very long and very hard to repeat at length, I must therefore finish my story of reforms for the North West Frontier Province.

Sir, there is another objection, which I occasionally small from certain quarters, that is, that the society there is based on certain tribal organisations and systems and institutions of that sort, and that, if you introduce the elective system there, you will be breaking the very fabric of society existing there! That is a thing which can better be seen on the spot than described on the floor of this House. You go to the North West Frontier Province and see whether there is any tribal organisation left after the destructive acts that have been applied to it during the last century. This process of destruction has been going on for the last 80 or 100 years and the result is that it has totally dismantled all the old organisations and there is scarcely anything left of it. Sir, I submit that the Pathans are very democratic by nature and are jealous of their birthright, as you find them in the tribal area, much more than the people of British India. Tons and tons of literature are crossing the Indus every morning, and I honestly tell you that the digestion of newspapers in that country is much larger than in many of the big towns in India. What movement has there been in India which has not crossed the Indus and reached the North West Frontier Province? The movements of 1919, 1921 and 1922, and even the recent movement started from Lahore, have all crossed the Indus and have found their way to the frontier.

Well, Sir, I am one of those who ought to be brief and I shall be brief on this occasion too. I will say once more, so as not be contradicting myself, that I am not a great believer in the present day reforms.

They will not lead us to anything very definite. But we have to follow the course chalked out for us and we do not want to be left behind in the march of progress for a degree examination, after passing which I shall be a full-fledged graduate and a full citizen of India. But if that is not possible for any reasons unknown to me, then I am as willing, if not more willing, to go back to the good old system and progress there. But I am voicing the views of my countrymen the younger generation of educated classes in the North West Frontier Province when I say that they are not happy in their present stationary position and that is all that I have to say.

Colonel J. D. Crawford (Bengal: European): Sir, my Honourable friend, Mian Mohammad Shah Nawaz, who moved this motion, has asked me to reaffirm the attitude which this Group took up last year regarding this particular problem. Throughout I hold that this Group has been entirely consistent in pressing for a measure of reforms for the North West Frontier Province. We are not unaware of the various difficulties that lie in the way, but they are not to our mind difficulties which cannot be overcome. I personally have the very utmost sympathy with my Honourable friend, Sir Abdul Qaiyum, who comes here not as an elected Member but as a nominated Member. He feels that his position in this House is weak, that his arguments on behalf of his own province are not so clear or strong as they would be were he here as an elected Member of that province. No one who has been in the North West Frontier Province can deny the character, the ability and the capacity of the virile population of those districts (Hear, hear.), and there is no reason why they should be denied some measure of an elective principle in their districts. I cannot believe that the justice of a demand of this nature should be made a pawn in any communal game. People of the North West Frontier Province are fit, and with the other provinces they should be given as big a measure of responsibility as has been granted to other provinces, subject possibly to certain restrictions necessitated by the defence of the frontier, and the Agency tracts for which they do not at the moment plead. This is the position which this Group takes up in this House, and if the cut goes to a division today, this Group will support my Muhammadan friends. (Applause.)

Sir Zulfiqar Ali Khan (East Central Punjab: Muhammadan): Sir, this subject has become so threadbare that there is hardly anything new to say. But as it concerns the liberties of a whole people, I think my silence on this occasion may be misconstrued. At the very outset I would like to say that I very much deprecate the position taken up by the Leader of the Opposition. I should like to know from him whether he and his followers exist in the world to harness the liberties of the people, or whether they exist in the world to widen the boundaries of freedom. What attitude are they taking up in connection with these two questions? If they stand in the way of the liberties of a province which forms an integral part of India, would they not be tightening the bonds of their own slavery? Would they not show to the world that, while they want freedom for themselves, they are not helping other people to gain freedom for themselves? Sir, I hope that the Leader of the Opposition and his party Members will reconsider their position and come forward honestly to say that the liberties of others are as dear to them as their own liberties. Sir, knowing from the talks of the people in the North West Frontier Province, and the impressions

[Sir Zulfiqar Ali Khan.]

I gained when I visited that province last year, I can say with firm conviction that those people are bent upon gaining as much liberty as any other people in India. They have come to the conclusion that British justice is a mythical thing, which exists only perhaps in the graves of those who built up this Empire. Sir, if the British Government will still follow the Fabian policy in connection with reforms in the North West Frontier Province, I think they will soon see the manifestation of the same spirit that you see in India. In the world there are only two forces, the sword and the spirit. The sword is finding expression, and I think may find expression very soon, but the spirit has declared itself earlier in India. The struggle is going to be very keen, and even the gods themselves may descend from heaven to watch the struggle. But, Sir, history shows that, in the long run, it is the spirit which conquers the sword.

Mr. Vidya Sagar Pandya (Madras: Indian Commerce): Why did this not dawn upon the Honourable Member yesterday?

Mian Mohammad Shah Nawaz: Is it the wish of the Honourable Member to upset law and order?

Mr. Vidya Sagar Pandya: Yesterday we talked about the spirit of non-co-operation and the Honourable Member did not vote with us. It was a question of the spirit not being subdued by the British Government by coercive methods.

Sir Zulfiqar Ali Khan: It is for you to co-operate.

Mr. M. S. Aney (Berar Representative): He stands for the spirit, not for the sword.

Nawab Sir Sahibzada Abdul Qaiyum: Then you had better set a better example.

Mian Mohammad Shah Nawaz: Then start civil disobedience in Madras, where you have now settled.

Dr. A. Suhrawardy: He does not come from Madras; he comes from the Punjab.

Sir Zulfiqar Ali Khan: The previous speakers have shown to the fullest extent that the North West Frontier Province is as worthy, as fit and as enterprising as the people of India, if not more. Their brethren beyond the frontier, in Afghanistan, have shown that they are capable of undertaking enterprises and of resenting a form of Government which they do not like, and that they are capable of upsetting that Government and establishing their own Government. These people, if they are long denied the liberty which belongs to them, and the constitution which they rightly claim, will I think create trouble for the rulers, and it is for the British Government to consider the point before deciding whether they want trouble or tranquillity in that country. Human beings, I may say, are always ruled through the imagination. Let the British Government touch the hearts of the people and stir enthusiasm in them. Have they done this so far? On the contrary they have shown to the people here that, if possible, they will try to deny what is their due. Under these circumstances, I think the only course left open to the people is to show to the world that they are capable of asserting their rights. I have still some remnant of confidence left in the wisdom of Government and hope that they will not entirely dethrone their reason and will come to the help of the province

which so keenly desires the reforms; and I think I may make it clear at this juncture that the measure of reforms to be granted to them should be as much as is to be given to the rest of India.

Sir, we see that the British Government occupied the different countries of the world with their armies. They have occupied the Frontier Province also with their Army. May I ask them to occupy that country with their gifts? Let their gifts also occupy the country, and if these gifts come, the Army can be withdrawn because there will be no need for the Army.

Sir, I need not go beyond what I have said, and I will appeal to Government that, on this occasion, they should commit themselves and declare, not only to this Assembly but to the world outside, that they are a liberty-loving, constitution-loving and a freedom-loving people.

Mr. Fazal Ibrahim Rahimtulla (Bombay Central Division: Muhammadan Rural): Sir, when Dr. Ziauddin Ahmad began to speak, he did not make the position of our Party clear. What he really meant was that he wanted that the Government should define their attitude towards the cut which the Central Muslim Party have made, before the Independent Party took part in the discussion. But that did not mean that the Independent Party is not whole-heartedly for this motion. Sir, I deplore very much the attitude of the Nationalist Party on this question. I do not know whether they realise that, by this statement which they have made on the floor of the House, they have made the success of the All-Parties Conference extremely difficult. I therefore join with my friend, Sir Zulfiqar Ali Khan, in asking that Party to reconsider their decision in this matter. All along we were under the impression that this was a question of Indians *versus* Government. Indians were all for reforms for the North West Frontier Province, and it was the attitude of Government which was open to criticism. The statement is most deplorable in these circumstances. We want to know what exactly the attitude of Government is on this question. Before asking Government to define their position, it is necessary to state before the House the actual position of the Mussalmans regarding the reforms in the North West Frontier Province. In the All-India Muslim Conference held in Delhi under the Presidentship of His Highness the Aga Khan, before a most representative Muslim gathering, they passed this Resolution regarding the North West Frontier Province:

"Whereas the introduction of constitutional reforms in the North West Frontier Province and Baluchistan along such lines as may be adopted in other provinces of India is essential not only in the interest of those provinces, but also of the constitutional advance of India as a whole, the Hindu minorities in those provinces being given adequate and effective representation in excess of their proportion in population, as is given to the Muslim community in provinces in which it constitutes a minority of the population. . . . "

This is exactly the attitude of the Muslims for the protection of the minorities in the North West Frontier Province. If the Leader of the Opposition had said that there should be no further reforms granted to India unless and until the question of Hindu-Muslim differences is settled by the All-Parties Conference, which is going to hold its sitting on the 6th April, I could understand the logic of that argument. But only yesterday he was telling Government that, if they want Mahatma Gandhi not to launch civil disobedience, they should at once declare that they will give Dominion Status to India. Today he has selected one particular province

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out of this Dominion which he wants, and says that no further reforms should be given to the North West Frontier Province unless the Hindu-Muslim question is settled in the All-Parties Conference.

Pandit Madan Mohan Malaviya: I have said nothing of the kind. I have not said a word to show that we are opposed to reforms in the North West Frontier Province.

Nawab Sir Sahibzada Abdul Qaiyum: Are you prepared to see Dominion Status extended to the North West Frontier Province or not?

Pandit Madan Mohan Malaviya: I said that we shall sit down and settle at the Conference. This is not to be done as an individual item. We have to sit down and settle it as a national programme.

Nawab Sir Sahibzada Abdul Qaiyum: I mean that, if India gets Dominion Status, then you will not grudge its extension to the North West Frontier Province too?

Mr. Fazal Ibrahim Rahimtulla: Sir, it is one thing to say that there is no opposition to the reforms in the North West Frontier Province, and it is another thing to declare openly that they are in favour of the reforms there. It is no use saying this when we see the attitude of the Leader of this very Party two years ago. In 1928 what was the position of the Leader of the Nationalist Party? He was finding fault with Sir Denys Bray, the then Foreign Secretary, and he said, "Our quarrels are due to the uncertainty of Government accepting our position." Therefore the fight is between Indians and Government, and not between Hindus and Muhammadans especially in regard to the reforms in the North West Frontier Province. Again he says:

"Will you give us an assurance that you will accept any decision which the All-India Muhammadan and Hindu Associations arrive at, and carry it through?"

This is still the decision on behalf of Indians, and what was the reply of Sir Denys Bray? He preceded the late Lala Lajpat Rai, and his reply was that the Government attitude could be summed up in these words:

"The question what and in what direction constitutional advance can be given in the North West Frontier Province has been and is under the consideration of Government. No definite decision on that point has been arrived at and no definite decision on that point will be arrived at or announced till Government are satisfied that they have come to a right conclusion and that the moment for its announcement is ripe."

The question is, are Government in a position to tell us that the time has now come for them to declare their policy towards the North West Frontier Province reforms? Sir, in the Bray Report, if I may be permitted to read a little paragraph, it is quite clear what the authors think will be the result if no reforms are granted to the North West Frontier Province:

"We ourselves have a more robust faith in India's power of giving scope for the self-development of the Pathan as of her other peoples within her all-embracing nationality. And surely with good reason. Did the Frontier Province fail India in the stress of the Great War, which she felt in a way that the rest of India did not, or in the storm of the Afghan War, which spent itself on the frontier and left the rest of India unscathed? India has cause indeed to be thankful that it is a race as manly and as staunch as the Pathan that holds the ramparts for her on this historically vulnerable frontier. In the face of the record of the Frontier Province, tried in the supreme tests of 1914 to 1919, the fears of our Hindu colleagues are indeed idle. And if self-determination is to be allowed any play at all in India, it should surely be allowed to the Pathan race whom Providence has interposed between India and foreign aggression. The danger from outside is there, as all past history shows; the mere administrative division of the warlike Pathan race—were this practicable—would not eliminate or even diminish it."

And mark these words, Sir:

"Indeed the reverse is the more likely. For mistrust breeds mistrust." (Hear, hear.) "The Pathan of the districts is now keenly alive to the issues before us, and if mistrust of the Pathan is to override the Pathan's self-determination for self-development in a separate province, the danger of his turning westwards may become real."

I wish Government would take serious note of what the feeling amongst the Pathans is and was even when the Bray Committee was in session. Now, if I may anticipate the reply from the Government, it may be that the Simon Commission Report is still awaited and that the Government have asked the representatives of India to meet in a Round Table Conference, and therefore it is for them to have their battle at the Round Table Conference in London. I hope I am right in anticipating that reply of the Foreign Secretary. But may I say, Sir, that whilst these two issues are still involved, it is but fair at this juncture to know what the Government attitude exactly is, because I am informed that, after the publication of the Simon Commission's Report, the Government of India will be busy preparing their own case on the Simon Commission Report, and it would be necessary, Sir, to know what their attitude is at this juncture. I may also at once say that the Muhammadans are not prepared to accept the recommendations of the Nair Committee. Let that be understood once for all, that we are not prepared to agree that the North West Frontier Province should be treated differently from other provinces in India, and after making that position clear, I would like Government to pause and reflect as to what they are doing. If they have seen the present position in the North West Frontier Province, if they have seen the enthusiasm of the young students for the movement of Independence when the Congress was held at Lahore, they will reflect that, whilst the Mussalmans are for the maintenance of law and order in India and they yield to none in that aspect, yet let the Government not believe that they will be able to control these young students unless their just aspirations are met by the Government of India.

Mr. E. B. Howell (Foreign Secretary): Sir, I should like to begin by thanking my friend, the Honourable Mian Shah Nawaz Khan, and the other speakers who followed him, for two things; first, for the tone in which they spoke, and second, for the tributes which so many of them paid—I think I may say the very well deserved tributes that they paid—to my distinguished predecessor. Sir, nobody deplores more sincerely than I do Sir Denys Bray's absence today. But since he is absent, there is one thing that I can do, which he perhaps, if he were here, could not well do for himself. I can proclaim that he really was a man whose ability and whose integrity the House did well to recognise, and as I read the reports of the ancient debates, I see that everybody who spoke then recognised how much they owned to Sir Denys Bray. Why was it, Sir, that they continually charged him especially with trickery, with evasion, with having done nothing and putting the thing off till now and generally playing with it for all these years, which lasted until this question was last in issue this time last year? Sir Denys Bray gave his own explanation. He said that there were real difficulties in the way of introducing the recommendations,

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which the Committee named after him, had made. There was, first of all, the inevitable difficulty of setting up a democratic constitutional government, with all the paraphernalia accompanying it, in such a small area as the North-West Frontier Province. There was the constitutional difficulty. There was the financial difficulty, which, if my friend will pardon me, does not consist in raising an extra Rs. 42,000, but in making the very large gap between what we may call the domestic expense of the province, and its own revenues, meet.

Maulvi Sayyid Murtuza Saheb Bahadur (South Madras: Muhammadan): On a point of information, Sir. May I know if the North-West Frontier Province is smaller than Coorg which has got a Council of its own?

Mr. E. B. Howell: I have no information as to the size of Coorg. But the fact remains that small areas do present certain difficulties in this respect. There was also the difficulty, which Sir Denys Bray used to allude to as the all-India difficulty. The House knows very well what that was. There was the communal difficulty, at any rate up till 1928, when, from the speeches delivered by the late Lala Lajpat Rai and others, there was good ground for hoping that that difficulty had disappeared, and finally, there was the practical difficulty, in that, until this Autumn, the elective principle, which necessarily at one stage or another is an essential part of all reforms, had not even been tried in the province. There were other difficulties which I think my Honourable friend, the Nawab Sahib, knows and which I know and I need not particularise them here.

Mr. M. A. Jinnah: But we do not know.

Mr. E. B. Howell: I will mention one.

Maulvi Muhammad Yakub: That is a very small one.

Mr. M. A. Jinnah: I have not heard it; tell us everything.

Mr. E. B. Howell: Sir, Sir Zulfiqar Ali Khan mentioned that a body of tribesmen entertained the Simon Commission to tea at Jamrud. Addressing Sir John Simon, they said "Aren't you going to give us reforms? You must not forget us, for we also want them. The fact must not be lost sight of that the peace of India depends on us". That, Sir, indicates one difficulty. Are the people of what we called the trans-border regions now to be excluded or to be included, and if included, how? Sir, when this question was last being discussed, Sir Denys Bray deliberately declared that wisdom was justified of her children in the policy of delay. Whether that is so or not, I at the moment am not prepared to say, but I would like to ask my friend, the Nawab Sahib, whether he agrees with me or not as to the reality of these difficulties, which I have mentioned.

Nawab Sir Sahibzada Abdul Qaiyum: Which one, Sir?

Mr. E. B. Howell: All these difficulties. Are they real or not?

Dr. A. Suhrawardy: They are imaginary.

Mian Mohammad Shah Nawaz (West Central Punjab: Muhammadan): They are some small difficulties, but they are not insurmountable.

Nawab Sir Sahibzada Abdul Qaiyum: Not insurmountable.

Mr. E. B. Howell: But they do exist.

An Honourable Member: They exist in every part of India.

Mr. E. B. Howell: Nobody can surmount a difficulty which is not there. When you say that they are not insurmountable, I take it that you agree that they are there.

An Honourable Member: That is true of every part of India.

Mr. E. B. Howell: If my first witness, the Nawab Sahib, has failed me, I can quote.

Mr. Anwar-ul-Azim (Chittagong Division: Muhammadan Rural): Why don't you ask me who has lived on the frontier whether the difficulties are real or not?

Mr. E. B. Howell: Then, when Sir Denys Bray said that they were real, do you suppose he was not telling the truth?

Mian Mohammad Shah Nawaz: They seem to have been very much exaggerated.

Mr. E. B. Howell: That is a question of opinion. My second witness, who is also a very highly, and if I may say so, a deservedly respected Member of this House, is my friend, Sir Hari Singh Gour . . .

An Honourable Member: Question.

Mr. E. B. Howell: He says:

"We have perused all the literature on the subject including the Report of the Bray Committee, and we have come to the conclusion . . . "

I do not mean to say that I endorse every word which the Honourable Member says; I am merely quoting him:

" . . . we have come to the conclusion that, while the settled districts are most backward and have not even entered upon their political novitiate in local self-government, still the people there cannot be left out in the cold, while the rest of India is making rapid strides towards responsible government. At the same time we cannot delude ourselves into the belief that the jute that thrives in Bengal will equally thrive in Peshawar. We have to take into account not only geographical conditions but also those arising out of the strategic importance of the Frontier and the desirability of maintaining a continuous policy which has proved so successful. These considerations would have lost some weight were not the civil administration of the province in perpetual heavy deficit met out of the funds of the Central Government."

Sir, if that witness does not suffice, I can quote another also, an Honourable Member of this House.

Mr. Muhammad Yamin Khan (United Provinces: Nominated Non-Official): Does Dr. Gour believe that persons residing in the Central Provinces are better than those residing in the North-West Frontier Province?

Mr. E. B. Howell: I am not giving way to the Honourable Member. Now, Sir, the actual charge that is being brought against the Government on this motion at the moment is not that it has been very a long time making up its mind and has finally done nothing, but that Sir Denys Bray did not do anything since the question was last discussed in this House

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a year ago. Honourable Members, who have supported this motion this morning, have said that something should have been done in the interval since this motion, or one very nearly resembling it, was last discussed. I do not think they really meant that.

An Honourable Member: We certainly meant it.

Mr. E. B. Howell: To say that Government should have done something, or could do anything at all, after the Simon Commission had visited Peshawar, and before its Report could be published, I submit with due deference, Sir, is sheer lunacy and not statesmanship at all. However, Sir, I have no wish to indulge in recrimination. On the whole, in the face of very long delay, if I may say so, I think the House has exhibited remarkable patience and forbearance, for reasons which they apparently could not always understand, but which I believe I may say the Nawab Sahib himself and his supporters do recognise to be real.

May I add one word more, Sir, and in this I am speaking, not as Foreign Secretary, but simply as an Englishman, and as an Englishman, I must say that we have a natural sympathy for a people so like ourselves in our early stages of development as are the people of the North-West Frontier. We have a very strong desire to gratify the aspirations of such people. After all, Sir, though you may not believe it, as my Honourable friend, Mr. Amar Nath Dutt, reminded the House yesterday, the cause of liberty throughout the world owes a great deal to Englishmen. We, Sir, are the countrymen of Pym, and Hampden, and if my Scotch and Irish friends will pardon a slight extension, of Mill and Burke. But, Sir, whatever sympathy we may have for this movement, I think the House can hardly expect me at this stage, within a few weeks of the day on which the Simon Commission's Report is to be published, to make any definite statement. I do not know what the Simon Commission is going to recommend, and even if I did know, I could not divulge it. I do not know what action the Government are going to take on the recommendation of the Simon Commission, and even if I did know, I think you will agree that my lips would still have to be locked. But, Sir, I can promise one thing, and I am authorised to do so on behalf of Government, and that is, that Government are pledged to give their most serious, most earnest, and most sympathetic consideration to the question that is now before the House. The House may rest assured that, when the time for action comes, which is now near at hand, Government will not delay to take whatever action they think proper, and that there will be no more of that delay of which it has been complaining so long.

Raja Ghazanfar Ali Khan (North Punjab: Muhammadan): Sir, I rise to participate in this debate for the chief reason that I want to offer my heartiest congratulations to the Leader of the Opposition Party for adopting the attitude which the Party have adopted on this question. I also want to congratulate the Leader of the Central Muslim Party for the improvement which he seems to have made during the past few months. The reason for my congratulating the Leader of the Opposition Party is that, when a debate on this question took place in 1926, he was definitely opposed to any reforms being given to the Frontier Province, and now . .

Pandit Madan Mohan Malaviya: I was not opposed to any reforms being given to the Frontier Province then, and I was never opposed to it at any time in my life.

Raja Ghazanfar Ali Khan: At least he then expressed such a strong opinion against reforms being extended to the North-West Frontier, and his speech then, which I would not like to quote, even a part of it, was extremely disappointing. But he has improved a good deal by making such a short and sweet statement today and saying that his party will remain neutral. On the last occasion the Swaraj Party was charged with a conspiracy of silence by Sir Denys Bray. Now that party have passed a Resolution and expressed the definite opinion that they are in favour of reforms being given to the Frontier Province. Today it is the Nationalist Party which may be charged with a conspiracy of silence. I am not very much disappointed, Sir, because I did not expect anything better, and it is merely a chance that the position or the attitude which this party may adopt is to be considered the attitude of the Opposition Party. Sir, I congratulate the Leader of the Muslim Party because I find that, in his minute of dissent, which he wrote when he was appointed on the Central Committee, he said that the reforms to be given to the North-West Frontier Province should be different from what should be given to the other provinces. But now I understand the Nawab Sahib is definitely of opinion that the North-West Frontier Province should get just the same reforms as any other province in India. I hope I am right, and I shall feel obliged if the Leader of the Central Muslim Party will tell me if I am right.

1 P.M.

Sir Zulfiqar Ali Khan: You are perfectly right.

Raja Ghazanfar Ali Khan: Thank you. Now, turning to the Government, I do not find anything which I can take exception to in the Foreign Secretary's speech, particularly when he has tried to bring in the name of Nawab Sir Abdul Qaiyum whenever he talked of any difficulty. I wish the Nawab Sahib had more courage to get up and say that this is entirely wrong, and that there are no difficulties which can possibly stand in the way of the North-West Frontier Province getting the same reforms as any other province. The Frontier Province unfortunately seems to be associated so very closely with the appointment of committees, that as long as this system of appointment of committees exists in this world, I do not think there is any chance for that province to get any reforms. In 1917 the question was considered by the Montagu-Chelmsford Committee; after that, when they said "Yes, every province in India can get the reforms", the Bray Committee was appointed specially for the North-West Frontier Province. They recommended that reforms should be extended to the province at once. Then difficulties arose. I thought, Sir, that committees were only appointed when there were certain difficulties existing so that they could find out and suggest some means of overcoming them. I want to know from the Foreign Secretary whether the difficulties which he has enumerated today existed before the appointment of the Bray Committee or not. Did those difficulties exist then? Was the size of the Frontier Province larger than it is at present? Was the financial position of the province better than it is at present? Then, Sir, what happened? The Bray Committee recommended that the reforms should be extended to the North-West Frontier Province in spite of those difficulties.

Mr. M. A. Jinnah: That was in 1922.

Raja Ghazanfar Ali Khan: As is pointed out by my Leader, that was in 1922—eight years back; but then probably the Government thought that, "According to the Preamble to the Government of India Act, another committee has to be appointed at the end of ten years; so let us wait till then." And then, when some one raised this question, they could say, "Our difficulty is that a committee has already been appointed; how can we be expected to make a statement when the matter is already under the consideration of another committee?" So, Sir, really speaking, all these excuses which are enumerated by the Foreign Secretary, are absolutely groundless—without the slightest justification whatever; and I can assure you, Sir, that, in spite of the fact that the Nationalist Party unfortunately have decided not to express their opinion, every one of them feels at least this much, irrespective of the fact whether the reforms should be given to that province or not, that the reasons advanced by the Foreign Secretary are entirely ridiculous, if I may be excused from saying so. He says there are the difficulties of elections, and that the Frontier Province had never had elections before. Now, Sir, this difficulty is bound to continue, unless you introduce the system of elections there. How can you blame the people of the province for not having experience of elections, when you have not introduced elections there? As far as the Assembly is concerned, they have already passed without division a Resolution that the Frontier Province should get reforms. So the Government cannot say that the opinion of all-India leaders is opposed to the extension of reforms. At present, there is not a single Hindu in the Frontier Province who is opposed to the reforms being given to that province. The Muhammadans, on the other hand, are willing to give such safeguards as are necessary for the safeguard of the minorities interest. We do not want an All-Parties Conference for that; or any other organisation. The Hindus are 7 per cent., but we say, take 10 per cent., take 15 per cent., or 20 per cent.—even 30 per cent.; you get whatever safeguards you want to be provided in the constitution; we are willing to accept that. Why do you want any committee to be appointed, and why do you wait to see what the All-Parties Conference is going to decide?

Dr. A. Suhrawardy: They are waiting for the Simon Commission Report.

Mr. M. S. Aney: We were waiting for some time for the Central Committee's Report.

Raja Ghazanfar Ali Khan: And now they are waiting for the Simon Commission Report; and then there will be the Round Table Conference, and after that the matter will go to Parliament, and then probably the Government of India may have to appoint a small committee to go into the details, and then it will take another two years, and who knows, after that, another Howell Committee may not be appointed to inquire into the question whether the frontier should get reforms or not? I honestly feel, Sir, that something has gone wrong with the statesmanship of the Government. They know what the situation is in the country, and they are devising such means as will help them in the maintenance of law and order, by taking legal action against those who break the laws. But are they doing anything which would encourage those people who are willing to lend their co-operation to them? Is it too much to expect from the Government to make an announcement tomorrow morning that they are going to introduce the elective system throughout the Frontier Province in the District Boards and Municipal Bodies? It will take at least two or three, or even four, years till the new constitution is brought into force in India;

and for these three years the Government could give them the Minto-Morley Reforms or the Montagu-Chelmsford Reforms, or even Sir Denys Bray's scheme or by whatever other name they may call it; but give them some scheme. Is there anything to stop you from doing it? Will that be going against the Parliament Act if they announced tomorrow, "Let the Frontier Province get the Minto-Morley Reforms for three years; they will gain some experience thereby and they will be more suitable for the coming reforms than they would be otherwise"? What is there to prevent the Government from making that announcement? Do Government realise that, by making this one announcement, they will at least win over the good will of every single Muhammadan in India? Is the cost too much? (*An Honourable Member*: "They will secure the ill-will of others".)

This is one point. Take another question. For the last three months Government have been absolutely sleeping, and they have not done one single act which would please the public. Their reply on the Skeen Committee debate was extremely disappointing, and was responsible for such strong criticism coming even from such a moderate leader as Mr. Jinnah. And this is the attitude which they are now taking towards the question of the Frontier Province. Now, Sir, when you tell us that, because there is a certain party in the country which is opposed to this, and it is because of the opposition of the Hindu Mahasabha or the Nationalist Party, who have abstained from supporting this motion, that the Government will be reluctant in giving the reforms, I want to ask Government whether their policy is being governed by the Governor General in Council or by any outside communal organisation. (*Mr. Gaya Prasad Singh*: "Any communal organisation—quite right.") Such replies from the Government are sure to be understood by fair-minded people to mean that the only object is to keep the communal question alive between these two communities. What do they care whether the Hindus and Mussalmans agree on this point whether the reforms are necessary for the North-West Frontier Province or not. They always act according to their own decisions. If that is not the case, why should the Government bring forward an excuse like that? Now, here is the European Party. As my friend, Colonel Crawford, has said, they are going to walk into the same lobby with us on this motion, and so what is the objection which Government can possibly advance now? Even this party which is regarded as representing the community which has got the largest stake in the country is not afraid of reforms being extended to the North-West Frontier Province. Whether this motion is carried in this House or lost, is absolutely immaterial. The fact remains that, if the Government of India move immediately, may be on a very small scale, without waiting for the Simon Commission's Report, and do something for the Frontier Province so as to convince us that, after these Commissions have reported, they really mean to do something for the people of the Frontier Province to satisfy them, it will be so much the better; otherwise our grievance on this point will remain as strong as ever.

(Maulvi Sayyid Murtuza Saheb Bahadur rose in his seat to speak on the motion.)

Mr. President: Honourable Members have had their two hours. If the Honourable Member will finish in five minutes I will allow him.

Maulvi Sayyid Murtuza Saheb Bahadur: Sir, but for the astonishing statement made by my Honourable friend, Pandit Malaviya, and also the disappointing reply given by the Foreign Secretary, I would not have spoken

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at all; I would have been satisfied with recording my silent vote on this motion.

Sir, in the last portion of his statement, Panditji has said that he does not want his party to participate in this discussion or rather that his party should not commit itself in any way on this question. May I ask him, through you, Sir, what about the commitment already made by the then leader of the party, I mean our much-lamented friend Lala Lajpat Rai? Is not the party and the leader of that party bound by the sympathetic attitude shown by Lala Lajpat Rai and the decision which was arrived at by him on behalf of his party on the question? Sir, when I moved the Resolution regarding the introduction of reforms in the North-West Frontier Province, my Honourable friend, the Panditji, opposed it tooth and nail. Afterwards he realised that he was in the wrong. Then his attitude was changed. Now I do not see any reason as to why he has adopted this oscillating policy. At any rate, Sir, I must tell the Government that the people of the North-West Frontier Province rely mostly, as every Mussalman ought to, on God, and thereafter they rely on their own strength. They do not care even for the support of the Mussalmans of other parts of India, much less for that of other communities. They will win their cause sooner or later. If Government proceed at this rate, they will win the day sooner than later.

As for the disappointing reply given by the Foreign Secretary, I have to invite his attention to the fact that the question of area arises here, when poor and helpless Mussalmans are concerned. So far as Coorg is concerned, which is probably one-fifth of the size of the North-West Frontier Province, it has got its own Legislative Council, because that province consists mainly of European planters. Is this the justice which the Government pride themselves on? How long can they go on like this? As acknowledged by the Government, the people of the Frontier Province are the gatekeepers of India. Do not the Government realise, if the Pathans, who are the gatekeepers of India, feel dissatisfied what the outcome thereof will be?

Now, Sir, the Honourable the Foreign Secretary said that this question would be considered very sympathetically. We know what kind of sympathy our poor North-West Frontier people can expect at the hands of Government. There is a saying in Persian, Sir, which says:

Chamcha Zadee Chamcha Zadee, Halwa Ko?

It means this, "you have applied your spoon so often, but where is the *halwa* (sweet)?". Similarly, Sir, Government cannot go on deluding us for ever, much less the people of the North-West Frontier Province, by holding out false hopes. They should realise the real situation and do the needful as quickly as they can. They should not any longer delay the giving of reforms to the North-West Frontier Province. With these words, Sir, I support the motion.

Mr. President: The question is:

"That the Demand under the head 'North-West Frontier Province' be reduced by Rs. 100."

The motion was adopted.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President in the Chair.

Mr. President: The question is:

"That a reduced sum not exceeding Rs. 1,06,34,900 be granted to the Governor General in Council to defray the charges, which will come in course of payment during the year ending the 31st day of March, 1931, in respect of the 'North-West Frontier Province'."

The motion was adopted.

DEMAND No. 16.—CUSTOMS.

The Honourable Sir George Schuster: Sir, I beg to move:

"That a sum not exceeding Rs. 77,57,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Customs'."

Cutting down a Lump Sum of 5 per cent to balance the Budget.

Sir Hari Singh Gour: I beg to move:

"That the Demand under the head 'Customs' be reduced by five per cent."

Honourable Members have already been told by the Honourable Mr. Neogy that similar notices of amendments of 5 per cent. cuts have been given under each grant. Some of these grants have already been disposed of. The remaining grants will remain, and I ask the House to cut down all the other grants one by one by 5 per cent. as they come up . . .

Mr. Lalchand Navalrai: Also my cut of 70 lakhs under Income-tax.

Sir Hari Singh Gour: . . . so as to balance the Budget. The reasons why I ask the House to concur in this cut are these. The whole of the Budget has not been placed before the House. The bulk of it comprises military expenditure. Sir George Schuster told us yesterday that the larger question of policy cannot now be considered pending the report of the Royal Statutory Commission, and as further reforms are on the horizon, it would not be right for the Government of India now to formulate a new policy regarding the curtailment of military expenditure. He said more or less the same thing in connection with civil administration. Those, I submit, are the very reasons why the Government of India should not embark on further taxation. The policy which will be laid down hereafter will, we hope, necessarily lead to retrenchment, and the deficit that we find in the Budget, as Honourable Members are aware, is not a recurring deficit. The Finance Member has pointed out that some of the items of the deficit are due to world causes. Now these are adventitious and accidental causes which are not likely to repeat themselves year after year, the causes being therefore more or less temporary and a passing phase of the current year's Budget. I do not see why the House should saddle the country with additional taxation as a permanent measure. Honourable Members are further aware

[Sir Hari Singh Gour.]

that a block vote of 55 crores of rupees has been given to the Army. The Honourable the Finance Member has informed the House that the military are at the present moment seriously engaged in retrenching their expenditure, but when that retrenchment is made, I submit that it should be made available to the relief of the taxpayers, and that it should go to the balancing of the Budget. The condition with which we are confronted in the Budget this year is not unlike the conditions prevailing in the first three years of the first Assembly. There too, we were confronted with annually recurring deficits, and what we found was that it was impossible for us to say whether item "A" had been rightly incurred or not, because the whole Budget was not before us. Upon its own merits, we would have allowed it. The Honourable Pandit Madan Mohan Malaviya said "Yes", when he was asked whether a certain sum of money should not be spent on broadcasting, provided the country was not burdened with additional taxation. Exactly in the same manner, if the whole Budget is placed before us, we shall be in a position to revise it and say as to where the retrenchment should come from and how the various items should be distributed under the various heads. That is not before us. Only small items under different heads have been placed before us. Consequently, the only thing we can do is to cut down a lump sum of 5 per cent. under each Demand and ask the Government to revise their Budget and see that it balances itself, and no additional burden is placed upon the country. They did it in 1922. I submit this is an exceptional case. As the Finance Member himself pointed out; we are on the threshold of constitutional changes, and before these changes take place, I think the country should not be saddled with additional taxation. I therefore move my motion.

The Honourable Sir George Schuster: Sir, the Honourable the Mover of this motion has dealt very generally with the question of economy. I feel it is for me to deal specifically with the motion which is before the House; for what we are concerned with is the question as to whether it is practically possible to carry out the policy which this kind of motion advocates. I am glad to have the opportunity of dealing with particular Departments in this way, because it enables me to explain to the House exactly what the position is in each case, and I think they will agree with me that this kind of indiscriminate cutting down of expenditure is neither practicable nor expedient. I have already informed this House that I have circulated to Members of the Standing Finance Committee memoranda on the growth of expenditure in all Departments since 1924-25, and I would like to take a short time this afternoon in dealing with the special case of Customs which is the Demand which the House now has to consider.

Taking the actual figures, which appear in the budget papers, we find that in 1924-25 the actual expenditure on account of the Customs Department was Rs. 75,67,154 and the budget estimates for 1929-30 were Rs. 98,05,000. I am proposing to keep to the figures which I have given in these memoranda, though I shall make some reference to budget estimates for the current year. Now, it would appear from that that there has been an increase in expenditure of just under 22½ lakhs, and that is the sort of figure which might attract attention. But when we come to examine the figures in greater detail, we find just those special reasons for increases which I have thought it very necessary for Members of this Assembly to understand before they consider these questions of cutting down expenditure.

Now, there are two very large items in that increase, which do not represent increases in normal expenditure at all. Under the heading of "Compensation" we find that the expenditure has gone up from Rs. 5,89,000 in 1924-25 to Rs. 17,44,000 in the budget estimates for 1929-30, that is, an increase of Rs. 11,54,000. But that increase is due entirely to payments made to the Travancore and Cochin Darbars under the Interportal Trade Convention. This depends on the actual revenue at the port of Cochin and cannot be controlled. That, therefore, represents no increase in real expenditure at all. Then, again, we come to another large increase under the heading "Grants-in-Aid, Contributions, etc.," where the actuals in 1924-25 were Rs. 75,500 and the figure for the budget estimates for 1929-30 was Rs. 3,46,760. These represent payments made out of receipts from overtime fees, etc. The Government of India do not make any profits out of overtime fees, and the expenditure has been accumulated year after year. The whole receipts are pooled together for the purpose of payments to charities, etc. The increase therefore is due to the distribution of an accumulated sum under this head. Therefore, an apparent increase in the expenditure of Rs. 2,73,260 during the six years is not a real increase at all. Now, these two special items together come to Rs. 14,28,155. That brings down the real increase to Rs. 8,09,691. Out of that sum I find that the increase in "Establishment", which refers to the subordinate classes, comes to Rs. 6,52,802 leaving a balance for all other items of Rs. 1,56,189. And out of the large increase in establishment, improvements in conditions of pay and normal increments account for Rs. 2,63,727. That particular increase is one to which so far as I can judge from all that has fallen from the Honourable Members opposite in the course of these debates, they certainly would not object, as it represents improvements in conditions for the subordinate staff. It leaves a very small increase for other items.

Now, let us see what the picture would be if we made this 5 per cent. cut. As I said, the real total increase in expenditure has been just over 8 lakhs, and the 5 per cent. cut would be about 5 lakhs. We should be left therefore with a margin of increase of 3 lakhs, of which more than 2½ lakhs would be spent on improvements of conditions in pay of the subordinate staff, leaving a margin of less than half a lakh to cover the growth of work in six years. I would like to give this House some figures showing what the growth of work has been. From 1923-24 the net revenue has risen from Rs. 39·69 crores to Rs. 49·28 crores, and, quite apart from the increase of revenue, the volume of work has also very considerably grown. The number of dutiable bills of entry has risen during this period from 3,32,913 in 1923-24 to 7,24,927 in 1928-29. That obviously means an enormous increase in work. Now, this very striking increase in the number of bills of entry is due to the fact that the trade is gradually passing from the hands of large wholesale importers to those of smaller importers who deal directly with other countries. The volume of work in the Customs Houses depends primarily on the number of dutiable bills of entry, and only to a much lesser extent on the amount of revenue. But, as I have informed the House, revenue has also grown by 25 per cent., and the number of bills of entry has more than doubled itself. I think from those figures, it is quite clear that some increase of staff was absolutely necessary, and yet the total increase in expenditure, apart from improvements in conditions of service for the subordinate staff during the years that I have taken, was under 5½ lakhs. I would also mention

[Sir George Schuster.]

that, in the budget estimates for this year, we have actually shown a reduction of Rs. 1,68,000 from the budget estimates of 1929-30. That means that the margin of increase, if I had worked all this year's budget figures, would have been far smaller than what I have given to the House. Now, Sir, I think that this is a very interesting example, and I feel sure that these reports which I have prepared would repay the careful study of all Members of this House who are interested in this question of public economy. They will find no doubt certain items or certain Departments in which the expenditure has grown in a way which makes out a *prima facie* case for inquiry, but what I do say is that the matter must be studied in detail, and that it is useless for the House to proceed in this wholesale way of asking for a 5 per cent. cut all round. As a matter of fact, the 5 per cent. cut on the Customs Department, as it stands at present, would be quite impossible without both doing grave injustice to a large number of employees and also gravely endangering the efficient conduct of public business. Apart from this, I am at a loss to understand what is the policy underlying my Honourable friend's motion. He has stated his case in this way. He says that, according to my own statements, the difficulties in which we find ourselves this year, or rather the need for increased revenue with which we find ourselves faced this year, is due to temporary causes. Well, if it is due to temporary causes—and that, of course, I do not admit because I think I have made out a very good case for some permanent increase in our revenue—but if it were due to temporary causes, would this be the proper way of dealing with it, to say that this year we should cut down the whole of our staff by 5 per cent. and that then, in due course, if revenue increases as my Honourable friend expects it will next year, we should engage all these people again? I ask Honourable Members to consider whether this is a business-like way of approaching what I admit is a very difficult situation. I have already made it clear that I intend to work steadily, continuously and with determination at the search for waste or unnecessary expenditure in every branch of the public service. But I maintain that that work must be done with intelligence and with discrimination and that action of the kind foreshadowed by this motion will gravely endanger the efficiency of the public service. (Applause.)

Sir Hugh Cocke: Sir, I entirely agree that the method proposed by my Honourable friend behind me is not a business-like way of dealing with retrenchment, and I think the Honourable Member has shown very clearly from the figures that a 5 per cent. reduction under Customs is entirely unpracticable. It would result, if it were persisted in, in the staff being discharged and in the goods being held up for long periods, I imagine, at the Customs House. The enormous increase in the bills of entry in the last five or six years shows to what extent the work of the Customs House has gone up. It also, I think, shows that, in view of the fact that the increase in expenditure has been comparatively small, there may have been considerable room for retrenchment five or six years ago. It seems to me that, if this large volume of work could be handled by the Customs officials at almost the same cost as before, there must have been room for cutting the staff five or six years ago. But I am perfectly satisfied from the figures that have been given, that it is not practicable to cut five per cent. from the Customs vote, and I do not think the House will be wise to adopt this procedure.

Mr. President: The question is:

"That the Demand under the head 'Customs' be reduced by five per cent."

The Assembly divided:

AYES—32.

Abdoola Haroon, Haji.	Munshi, Mr. Jehangir K.
Abdul Matin Chaudhury, Maulvi.	Murtuza Saheb Bahadur, Maulvi Sayyid.
Aney, Mr. M. S.	Neogy, Mr. K. C.
Bhargava, Pandit Thakur Das.	Patil, Rao Bahadur B. L.
Das, Mr. B.	Rajan Bakhsh Shah, Khan Bahadur Makhdum Syed.
Das, Pandit Nilakantha.	Rang Behari Lal, Lala.
Dutt, Mr. Amar Nath.	Reddi, Mr. T. N. Ramakrishna.
Dutta, Rai Bahadur S. C.	Shafee Daoodi, Maulvi Mohammad.
Gour, Sir Hari Singh.	Shah Nawaz, Mian Mohammad.
Haji, Mr. Sarabhai Nemchand.	Siddiqi, Mr. Abdul Qadir.
Kelkar, Mr. N. C.	Sinha, Mr. Rajivaranjan Prasad.
Kunzru, Pandit Hirday Nath.	Sitaramaraju, Mr. B.
Lal, Mr. Hari Prashad.	Suhrawardy, Dr. A.
Lalchand Navalrai, Mr.	Talatuley, Mr. S. D.
Malaviya, Pandit Madan Mohan.	Zulfiqar Ali Khan, Sir.
Moonje, Dr. B. S.	
Mukhtar Singh, Mr.	

NOES—47.

Abdul Aziz, Khan Bahadur Mian.	Lamb, Mr. W. S.
Abdul Qaiyum, Nawab Sir Sahibzada.	Lindsay, Sir Darcy.
Alexander, Mr. W.	Mitra, The Honourable Sir Bhupendra Nath.
Anwar-ul-Azim, Mr.	Mitter, The Honourable Sir Brojendra.
Banarji, Mr. Rajnarayan.	Monteath, Mr. J.
Baum, Mr. E. F.	Mukherjee, Rai Bahadur S. C.
Coatman, Mr. J.	Noyce, Sir Frank.
Cocke, Sir Hugh.	Pai, Mr. A. Upendra.
Cosgrave, Mr. W. A.	Parsons, Mr. A. A. L.
Crawford, Colonel J. D.	Rainy, The Honourable Sir George.
Crerar, The Honourable Sir James.	Rajah, Rao Bahadur M. C.
Crosthwaite, Mr. H. S.	Rau, Mr. H. Shankar.
Dalal, Dr. R. D.	Roy, Mr. K. C.
Ferrers, Mr. V. M.	Sahi, Mr. Ram Prashad Narayan.
French, Mr. J. C.	Sams, Mr. H. A.
Ghazanfar Ali Khan, Raja.	Sarfaraz Hussain Khan, Khan Bahadur.
Gidney, Lieut.-Colonel H. A. J.	Schuster, The Honourable Sir George.
Gwynne, Mr. C. W.	Scott, Mr. J. Ramsay.
Hamilton, Mr. K. L. B.	Slater, Mr. S. H.
Heathcote, Mr. L. V.	Tin Tut, Mr.
Hira Singh Brar, Sardar Bahadur, Honorary Captain.	Yakub, Maulvi Muhammad.
Howell, Mr. E. B.	Yamin Khan, Mr. Muhammad.
Hyder, Dr. L. K.	Young, Mr. G. M.
Jawahar Singh, Sardar Bahadur Sardar.	

The motion was negatived.

Inadequate representation of Muslims in the Customs Service.

Mr. Anwar-ul-Azim: Sir, I beg to move that the Demand under the head 'Customs' be reduced by Rs. 100, the reason being the inadequate and ineffective representation of the Muslims in the Customs Service generally, more especially amongst the ranks of Preventive Officers, Appraisers and clerks. It will be within your recollection, Sir, that motions of this kind have got two other precedents in this House.

3 P.M.

[Mr. Anwar-ul-Azim.]

Once it was debated on the 9th March, 1926, and again on the 12th March, 1928. On the first occasion it was moved by Mr. Ahmad Ali Khan, who represented Assam here then, and that was withdrawn with the leave of the House on a guarantee being given on behalf of Government by Sir Basil Blackett and the representative of the Board of Central Revenue, Mr. Lloyd, the guarantee being that they would not overlook the Muslim view point in that connection. Two years after, on the 12th March, it was again debated on the floor of this House, and on that occasion too, the Government spokesman was the late Finance Member, and some of the reasons that he put forward then for the consideration of this House were, that people belonging to our community came rather late into the field, and as such their condition was bad, and secondly, he made a point of the fact that I did not furnish him with any figures. You know, Sir, how difficult it is for Back Benchers like ourselves to get these figures and I do not think Front Benchers too do any better. I addressed almost all Departments of Government here in Delhi for the purpose of obtaining figures and,—I imagine it must be due to something palpably wrong inside,—they made a hundred and one excuses and did not give me the figures. If those figures were available to me, I am sure this motion would have been absolutely unnecessary. But as a result of great trouble, I have gathered a few figures only with regard to Bengal. On a reference to the Bengal Civil List of 30th January, 1930, you will find that, in the superior classes of the Calcutta Customs, the table runs thus. There are 13 Inspectors, among whom there is no Mussalman; there are 20 Superintendents, of whom only one is a Mussalman, and that post carries a salary of Rs. 500—575; there are 50 Appraisers, and there our share is about 3. I cannot give, at this stage, as I have said, the figures among the ranks of clerks, but though, in the province of Bengal, we form about 55 per cent. of the total population, our representation does not come even to 5 per cent.

On the first debate which was initiated by Mr. Ahmad Ali Khan, the whole of the time was spent between Mr. Lloyd on the one side and our esteemed friend, Mr. Kabeeruddin Ahmed, on the other, and the House could not come to any decision; but on an undertaking being given by Sir Basil Blackett, on behalf of Government, that motion was withdrawn. On the second occasion the motion was pressed to a division, and of course Government accepted the decision of the House, and it is a story of two years ago. If Government have not got any cogent reply and any sufficient reason for not taking this thing seriously, I do not know whom we shall look to. It will be within your recollection, Sir, that on the 10th March, 1923, a Resolution was also adopted by this Assembly to the effect that no province, or for the matter of that no class of people, should have any preponderance at least in those services which are within the control of the Central Government—and of course 1923 is gone and it is now 1930. But what do we find now, and specially in those places which are really of any worth? There is undoubtedly not only a preponderance but a superpreponderance, and with what justification? I should very much like to know really whether it is the wish of Government to give something a bad name and hang it at the same time. Perhaps the Honourable Member in charge will come out with this plea, that on the 5th February, 1926 some directions were given to the various Departments of the Government of India for their guidance in the matter of recruitment; and he will perhaps also refer me to an old list compiled some years ago, just to show that

perhaps Mussalman representation has gone up by ·001 per cent. If the Government of India are responsible to people of all classes, to all people, irrespective of caste, creed or sex, to dispense justice and to uphold that justice with even hand, then may I not ask them, Sir, how is it that this deplorable state of affairs is evident by their own compilations? It has not been possible for me to get any figures, Sir, either with regard to Bombay or Madras, where the number of Mussalmans is small. They are beyond my reach.

Last of all, there is one matter about which I can speak with some authority, that is with regard to the representation of my people in the Chittagong Customs. In the seaport town from where I come, you have got a cadre of about 11 or 17 Preventive Officers. There the number of Mussalmans is about 82 per cent. of the total population. It cannot be said that the people are backward there, for it will be apparent from the facts that I stated that, out of a total number of 300 members of the Bar—no less than 150 are Mussalmans. That is an indication that really that part of the country is not backward, and if the local authorities, either at Calcutta or at Chittagong, care for the appointment of Mussalmans in the cadre of Preventive Officers, they could get very good men. But I do not know what policy is standing in the way of our being taken even in that locality. For, after everything is said and done, you should recognise the purpose for which I am moving my motion. If Government really feel that they have been doing scant justice to us and our people, I think they should recognise that the time has come when they must look around. One of my friends a little while ago, was suggesting to me why I should have moved this motion as we had a very full-dress debate the other day and we had all the illuminating replies from Mr. Hayman during the course of the debate on Railways. My answer is this, Sir. Unless we are definitely told by the Government that they are willing—not to speak of showing any favour—to do bare justice to our people, it will be very hard really for even a man like myself to keep quiet who on important occasions has helped Government, with the hope that they would not forsake the Muslims, when the next instalment of reform was introduced in this country. Government must know our demands are right, and they should not any longer play into the hands of the avowed enemies of Islam, who are now bidding for a goal whose consequences one can't see. With these few words, I commend my motion for the consideration of this House.

The Honourable Sir George Schuster: Sir, I think the general policy of the Government of India in this matter of distribution of vacancies, or reservation of vacancies, for minority communities is well known. The policy is to reserve one-third of vacancies for the purpose of regulating recruitment, so as to prevent any one community from having an undue preponderance in the service. The Muslim community, though the largest minority community, is not of course the only one that has to be considered in applying this rule. The effects of this policy must show themselves gradually, as the policy can only be applied to recruitment for vacancies as they occur. It would not have been either reasonable or possible to attempt to accelerate the rectification of existing inequalities by confining recruitment after the present policy was adopted to members of any community that had previously been inadequately represented. I think the justice of that must be acknowledged. I have certain statistics, showing the percentage of Muhammadans in the various grades of Customs Officers under the Imperial Customs Services, and showing how those percentages

[Sir George Schuster.]

have altered between the 1st of January, 1925 and the 1st of January, 1930. The figures are as follows:

	1925.	1930.
Appraisers	1 per cent.	6 per cent.
Examining Officers	9 ,,	9 ,,

Maulvi Muhammad Yakub: Very great improvement!

The Honourable Sir George Schuster: I am not claiming anything. I am simply giving you facts. I do not say that it is a great improvement.

	1925.	1930.
Preventive Officers (Superior Grades)	4 per cent.	7 per cent.
Preventive Officers (Lower Grades)	15 ,,	15 ,,
Clerks	9 ,,	8 ,,

(Laughter.)

It must be admitted—and I frankly admit it—that these figures are not, from the point of view of the Mover of this motion, entirely satisfactory (Hear, hear); but I would say this, on behalf of the Central Board of Revenue, which is responsible for this Department, that they constantly study the returns, and wherever these suggest that the general instructions of the Government are not being followed in the letter and in spirit, they draw the special attention of the Heads of Departments to the matter.

Maulvi Muhammad Yakub: With what result?

The Honourable Sir George Schuster: At the same time, it must be remembered that these people are recruited locally, and that in ports in Burma and Madras, it is inevitable that Muhammadans should not be given preference to the same extent as they might expect in other parts of India.

Maulvi Muhammad Yakub: What about the North-West Frontier Province where they are treated as a minority?

The Honourable Sir George Schuster: There are no Customs Officers there.

Maulvi Muhammad Yakub: Government service, I mean.

The Honourable Sir George Schuster: Moreover, even in a province like Sind, there is considerable difficulty, so I am informed, in securing an adequate number of candidates from this particular community, who satisfy the minimum educational requirements.

Haji Abdoola Haroon (Sind: Muhammadan Rural): I sent some men to the Customs Collector at Karachi. There are plenty of men in Karachi qualified for these posts.

Sir George Schuster: I am giving my Honourable friend the results of the evidence which has been placed before me on this matter.

Mr. Fazal Ibrahim Rahimtulla: I think it would help the House if the Honourable Member were to tell us, during these five years about which he has given figures, how many vacancies occurred in the Departments mentioned.

The Honourable Sir George Schuster: I am afraid that I have not got those figures at present available, but if any Honourable Member, who is interested in this question, will let me have any particular aspects of the statistics which he wants studied and presented to this House, I shall be very pleased to get them. I will repeat though, that according to the information which I have got, there is considerable difficulty in securing an adequate number of candidates who satisfy the minimum educational requirements. If there is any evidence to the contrary, I should be very glad to have it. I am simply giving you the evidence as it has been put before me. Now, it is no part of the Government's policy to insist on a lowering of standards, provided these are not fixed unreasonably high, in order to secure candidates. The standards are not fixed unreasonably high, and that is illustrated by the fact that, of three Muslim clerks appointed in a recent period of fourteen months at the Calcutta Custom House, none was a graduate, although a large proportion of the Hindus appointed in the same period were graduates. This Custom House has also suffered seriously from the competition for well qualified Muslims which the present policy has created. The best of the Muslim clerks secured tend to move on to better paid occupations elsewhere. I think, Sir, that that represents some of the information which I have before me. If there are any statements that I have made which are not accepted by any Honourable Member here, I repeat that I shall be only too glad to receive the contrary evidence. It is our desire to carry out the policy which has been laid down by the Government, and if there is any suggestion that that policy is not being carried out and I can be convinced that it is not being carried out, I shall be the first to take the necessary action.

Nawab Sir Sahibzada Abdul Qaiyum: Sir, I should like to say just a few words in order to get some definite information on the points that still puzzle and confuse me.

Mr. President: In that case the Honourable Member should have preceded the Honourable the Finance Member.

Nawab Sir Sahibzada Abdul Qaiyum: Sir, what is not clear to me, and perhaps to many others, is as to how these safeguards for the rights of the minority communities are put in practice. It is often said that these reservations are for all the minority communities. We know that the announcement of the Government is to that effect. But how are these posts reserved for the minority communities distributed over these communities and what are their respective shares? What I particularly want to find out is whether certain minority communities included in the majority community get a share of these posts reserved for the minorities. For instance, take the case of my Sikh brethren. In the ordinary division of communities, the Sikhs form part of the major community. Even the Burmans come under the category of Hindus. Various other small communities also form part of the majority community. Has any distinction been made in this respect and do these small communities get a share in the posts reserved for the minority community? Then are these posts distributed according to the numerical strength of these minority communities, or at the free will of the distributor of those posts? That is my first point. The second point is whether, in the case of first recruitment a larger share is given to these people to make up the deficiency of the minority communities in due course in the higher grades, that is whether in making the first appointments a higher percentage of appointments is given to a community which is not fully represented in that

[Nawab Sir Sahibzada Abdul Qaiyum.]

particular service, or whether these appointments are given according to the ordinary rules of one-third minorities and two-thirds majority. For unless something is reserved in the first recruitment for these people and a larger number of people are recruited in order to make up the deficiency later on, no improvement can be expected. Another difficulty, Sir, is that in provinces where a sufficient number of suitable candidates is not forthcoming, whether it is the local people who must produce the proper candidates for those appointments, or whether you treat the case as one coming under the control of the Central Government and disregarding the shortness of the local supply, you could import men of that particular standard available from other provinces. If you are going to secure the position of Moslems in this respect, I believe Moslems will have no objection to the importation of Moslems from the Punjab into Sind; for example, if Sind cannot provide the proper number of recruits. But I am one of those, Sir, who do not believe that suitable Moslems, fully qualified Moslems, are not available for your services in any part of India. I do not believe that. On the other hand, my impression is, Sir, that they do not get the necessary facilities for knowing about the vacancies, for applying for them, and are not given proper encouragement by those who are controlling your Departments. Do I understand that, in the whole of Bengal, only three people were out for employment and that none of them was a graduate?

Mr. Anwar-ul-Azim: Moslem graduates in Bengal are as plenty as black berries.

Nawab Sir Sahibzada Abdul Qaiyum: I thought that they were as many as locusts, and that any number with higher qualifications than the ordinary B. A. was available there. But they cannot have access to the authorities who select these candidates. I, living though I do on the extreme corner of India, can undertake this honorary job of supplying recruits to every Department throughout India. I shall pay the postage, I shall meet all expenses of sending candidates down to Tuticorin from Peshawar, if necessary, provided one has a chance of securing an appointment there. I can take up that work, Sir, and I am also prepared to supply candidates with B. A. degrees for ordinary clerk's posts, if you fix the minimum qualification for a thirty rupees post as a graduate or even higher, Sir, nothing of this sort will convince people of the paucity of Muslim candidates in the year 1930. Nothing will convince the Muslims that, in the present state of unemployment in the country, and with so much advance in education and with hundreds and thousands of Muslims graduating every year and in the hard times they are passing through and with the difficulties of earning their living, enough Muslims cannot be found or will not come forward to take up even the smallest job—not to speak of the good jobs just mentioned by the Honourable the Finance Member. These, Sir, are the observations I have to make.

Maulvi Muhammad Yakub: Sir, the question of the paucity of Mussalmans in the different branches of Government service has become something more than a hardy annual of the budget debates in the Assembly; and not only in the budget debates, but on other occasions too questions are put and information is asked for showing the number of Muslims in the different Departments of the Government services; and every effort is made by the Muslims to impress upon the Government the injustice which is done to them in securing their proper share in Government services. But, Sir, what is the result? The result is the statement which the Honourable

the Finance Member has just placed before the House. Now, Sir, we have only got to question our friends as to what is the reason for this attitude of the Government. Why is it that our entreaties, our questions and our speeches, and the statistics supplied to the House, do not help us in getting justice done to our community? The answer is plain and simple. My friend, Mr. Abdul Matin Chaudhury, enunciated the other day the character of the British nation in two words—kissing and kicking; and this phenomenon of kissing and kicking cannot be observed more vividly than in this House. The Government know that the loyalty of the Mussalmans is very cheap; Government know that they do not require anything to help them to secure their support. On all the important questions in the Assembly we know that the success of the Government depends upon your votes, the votes of the Central Muslim Party.

Nawab Sir Sahibzada Abdul Qaiyum: That is according to our convictions.

Maulvi Muhammad Yakub: So I say; and it is on account of this conviction of yours that your community is being convicted; and as long as this conviction of yours remains, as long as this mentality of yours continues, as long as the Muslims do not stand upon their own legs and as long as this phenomenon of kissing and kicking goes on, I tell you that these questions and Resolutions and figures will not help you at all and your community will go down from bad to worse every day.

Mr. Lalchand Navalrai: Promise not to help the Government then.

Mr. President: The question is:

"That the Demand under the head 'Customs' be reduced by Rs. 100."

Mr. Anwar-ul-Azim: Sir, I think my friends on this side . . . .

Maulvi Muhammad Yakub: He is satisfied, Sir, with the figures supplied by the Finance Member.

Mr. President: Does the Honourable Member wish to withdraw his motion?

Mr. Anwar-ul-Azim: No, Sir. I want to test my Hindu brethren on this subject.

Mr. President: The question is:

"That the Demand under the head 'Customs' be reduced by Rs. 100."

The Assembly divided:

AYES—21.

Abdoola Haroon, Haji.	Rahimtulla, Mr. Fazal Ibrahim.
Abdul Matin Chaudhury, Maulvi.	Rajah, Rao Bahadur M. C.
Abdul Qaiyum, Nawab Sir Sahibzada.	Rajan Bakhsh Shah, Khan Bahadur Makhdum Syed.
Abdu'lah Haji Kasim, Khan Bahadur Haji.	Reddi, Mr. T. N. Ramakrishna.
Anwar-ul-Azim, Mr.	Shafee Daoodi, Maulvi Mohammad.
Cocke, Sir Hugh.	Shah Nawaz, Mian Mohammad.
Crawford, Colonel J. D.	Suhrawardy, Dr. A.
Ghazanfar Ali Khan, Raja.	Yakub, Maulvi Muhammad.
Gidney, Lieut.-Colonel H. A. J.	Yamin Khan, Mr. Muhammad.
Moore, Mr. Arthur.	Zulfiqar Ali Khan, Sir.
Patil, Rao Bahadur B. L.	

NOES—42.

Abdul Aziz, Khan Bahadur Mian.	Lamb, Mr. W. S.
Alexander, Mr. W.	Lindsay, Sir Darcy.
Ayyangar, Mr. K. V. Rangaswami.	Mitra, The Honourable Sir Bhupendra Nath.
Banarji, Mr. Rajnarayan.	Mitter, The Honourable Sir Brojendra.
Baum, Mr. E. F.	Monteath, Mr. J.
Coatman, Mr. J.	Mukherjee, Rai Bahadur S. C.
Cosgrave, Mr. W. A.	Mukhtar Singh, Mr.
Crerar, The Honourable Sir James.	Noyce, Sir Frank.
Crosthwaite, Mr. H. S.	Pai, Mr. A. Upendra.
Dalal, Dr. R. D.	Parsons, Mr. A. A. L.
Das, Mr. B.	Rainy, The Honourable Sir George.
Dutt, Mr. Amar Nath.	Rau, Mr. H. Shankar.
Dutta, Rai Bahadur S. C.	Sahi, Mr. Ram Prashad Narayan.
Ferrers, Mr. V. M.	Sams, Mr. H. A.
French, Mr. J. C.	Schuster, The Honourable Sir George.
Gwynne, Mr. C. W.	Scott, Mr. J. Ramsay.
Hamilton, Mr. K. L. B.	Singh, Mr. Gaya Prasad.
Heathcote, Mr. L. V.	Slater, Mr. S. H.
Hira Singh Brar, Sardar Bahadur, Honorary Captain.	Talatuley, Mr. S. D.
Howell, Mr. E. B.	Tin Tut, Mr.
Jawahar Singh, Sardar Bahadur Sardar.	Young, Mr. G. M.

The motion was negatived.

Mr. B. Das (Orissa Division: Non-Muhammadan): I do not move, Sir.*

Importation of Adulterated Articles for Human Consumption.

Khan Bahadur Sarfaraz Hussain Khan: Sir, the motion that stands in my name reads:

"That the Demand under the head 'Customs' be reduced by Rs. 100."

I do not think, Sir, I need dwell on this question, because everybody knows very well that nothing is more injurious to the human body than adulterated articles. My chief object in making this motion is to draw attention to the increasing evil of adulterating ghee with all sorts of articles. Perhaps rich men may not feel the difficulty so much in this matter, but in the mofussil towns the poor people, about 60 per cent. of the population, suffer from bodily ailments chiefly on account of this evil of adulteration. This is not a communal question. It is a question based purely and solely on humanitarian considerations. I do not think, Sir, I need dwell on this subject at great length, because as I have already said about 60 to 75 per cent. of the people in the mofussil towns chiefly suffer on account of adulteration . . . . .

The Honourable Sir George Rainy: If the Honourable Member could speak a little louder I should be better able to hear him. I find great difficulty in hearing him.

Mr. M. S. Aney: He is 80 years old. (*Some Honourable Members*: "Please speak a little louder.")

*"That the Demand under the head 'Customs' be reduced by Rs. 100. (Hardship to hand-loom industry owing to cotton yarn tariff.)"

Khan Bahadur Sarfaraz Hussain Khan: Sir, I have not much to say. This is a very simple matter, because everybody knows that the adulteration of ghee predisposes the body to consumption. This is not a communal question; this is purely a humanitarian question. Anybody who has got sympathy for human suffering will support me. I therefore hope that Government will put some check on the importation of adulterated articles for human consumption, and that is the reason why I am making this motion.

The Honourable Sir George Rainy (Member for Commerce and Railways): I must confess, Sir, that I found considerable difficulty in hearing what the Honourable the Mover of this cut was saying, and if I do not accurately represent his argument I trust to be excused. I gathered that he wished to move this cut in order to draw attention to the adulteration of ghee with vegetable ghee, and to suggest that the Government should take steps to check the importation of vegetable ghee either by absolute prohibition or I suppose, by imposing a very high duty. What I should like to say about that, Sir, is that it would not be right for Government to take action of that nature unless they were satisfied that the vegetable ghee was in itself a harmful substance dangerous to human health. Now, we have consulted the Local Governments on the subject . . . . .

Mr. Gaya Prasad Singh: Is that the opinion of doctors that vegetable ghee is not injurious to human health? I brought that question up before in this House.

The Honourable Sir George Rainy: We have obtained the opinions of all Local Governments, and with one exception, they have said that, although the vegetable ghee is deficient in certain vitamins, it is not injurious to health. Also there is this further point to be considered, that if we were to prohibit the importation of vegetable ghee, it is not as if the ghee thereafter would be sold pure. On the contrary, I am afraid the adulteration would be as great as ever, and even more harmful adulterants would be used. But there is evidence that the adulteration has been going on for a long time. In Burma for instance now-a-days it is said that there is an increasing use of a mineral oil, known as white oil, for that purpose, and if you read books like "Watt's Economic Products", you will find that, 40 or 50 years ago, adulteration with all sorts of substances, some of them highly objectionable, was being freely resorted to. At the same time, the Government of India quite recognise that it is desirable that, when a purchaser wishes to buy pure ghee, he should have some security that he will get it; he should not be exposed to the danger of having to buy an adulterated product when he is paying what he believes to be the price of a pure product. But the Government of India also feel that the way to attain that result must, under the present constitution, be by provincial legislation, providing for strict control over the sale of foodstuffs. A Bill of that kind has recently been passed in the Punjab, called the Pure Food Act, which contains pretty stringent provisions about not selling real ghee and vegetable ghee in the same shop and other provisions of a like character. In that way I have no doubt it will be possible to bring under control any adulteration that is now going on. But if you go beyond that and say that vegetable ghee must not be sold at all, that is a length to which the Government of India are not prepared to go.

Another suggestion made was that a law might be passed, requiring that vegetable ghee, at the time of importation, should be coloured, so

[Sir George Rainy.]

that it might be easily distinguishable. That again is a matter on which we have obtained the opinions of Local Governments, but I do not think it has commended itself to many of them. There is indeed a general consensus of opinion against it. The colouring substances sometimes used for such purposes may themselves be harmful, and I think there is a growing opinion amongst experts that the use of colouring substances in order to distinguish various kinds of food is not desirable. I do not think that that is an expedient which would lead to any good result, and as I have said I think we must look to the passing of stringent provincial legislation, and its enforcement, in order to secure what the consumer is entitled to, namely, that, when he wishes to get pure ghee, he should get pure ghee and should not be put off with something else.

Mr. M. S. Aney: The Honourable Member for Commerce has told us that one of the difficulties he feels in accepting this motion is that there is not sufficiently strong opinion with him to hold that this adulterated ghee is injurious to human health, and for that purpose he has relied upon the opinions of Local Governments. I think the Local Governments are also such bodies as the Government of India is composed of. They are not a body of experts who can really pronounce any opinion upon the chemical ingredients of adulterated ghee and their effect upon human health. I would have been convinced had the Honourable the Commerce Member given us the benefit of any opinions he has collected from competent doctors who are in a position to pronounce opinions upon subjects of this character. If I remember aright, I believe some time ago my Honourable friend, Mr. Gaya Prasad Singh, put certain questions pointedly drawing the attention of the Government of India to the opinions of certain competent authorities as regards the injurious effect of adulterated ghee upon human health. At least the Government of India should have promised us to go into the question just to find out from competent men whether the complaints raised in this motion have any foundation or not. Instead of that, the question has been disposed of by him in a slipshod manner.

The other remedy which has been suggested as practicable by the Honourable the Commerce Member stands in my opinion on an entirely different footing. My Honourable friend, Khan Bahadur Sarfaraz Hussain Khan, by moving this cut, wanted the Customs Department to exercise some check upon the importation of this ghee. That is purely a matter which is within the competence of the Government of India. The Government of India say, "Do not raise this question here. We do not think we can do anything at all in this matter. You had better go to the Provincial Governments and try to do something with a view to seeing that the customer is not deceived. The customer who wants pure ghee should not be deceived by the shop-keeper by passing on to him adulterated ghee and for that you can have some sort of registration." That is a remedy which the Local Governments or the local bodies might pursue if they think proper, and I know that, in certain municipalities, attempts are being made with a view to check that thing. The present motion is not for that purpose at all. We want to see whether the Government of India are willing to help us by allowing their customs officers to exercise a greater check upon the importation of this kind of thing. The Government of India have got many experts under their employ and they can

get their opinions and find out whether the adulterated ghee contains any ingredients which are deleterious to human health or not. That is the first thing that they can do, and the second thing is to ask the customs officers to exercise some check on the importation of the adulterated ghee. Ghee is one of the most important articles in the dietary of the Indians, who are mainly vegetarians. I have said so in connection with a different Resolution to which I do not want to refer now. It is one of the most nutritive articles, and it is necessary for the Government, which cares for the health of the subjects whom it wants to rule, to see that questions affecting the health of the Indians ought not to be brushed aside by the Government in this slip shod manner.

The third remedy that was suggested was that adulterated ghee should not be allowed to be imported unless it is coloured. I do not say anything upon that point. It is too much for me to understand, and I cannot say what the effect of the colouring would be on the health of the consumer. That is a matter of detail. The main thing is that Government should carefully consider whether there is any foundation for the general complaint that it has got a deleterious influence on the health of those who take that sort of ghee. The Government should satisfy themselves on that point, and if the question is raised again, they should be able to tell us definitely that they have made some endeavour, and that they have come to some conclusions. Once they come to a conclusion, their duty is very clear. I believe the Government of India are sufficiently resourceful. Particularly at the present time they have got, at the head of the Customs Department, a very competent officer who is very resourceful, and he may certainly suggest some remedies to customs officers to have a check upon the importation of this thing. With these remarks, I support the motion.

Mr. Mukhtar Singh (Meerut Division: Non-Muhammadan Rural): I wish to say a few words on this occasion.

Mr. President: I hope they will be only few.

Mr. Mukhtar Singh: I shall be as brief as possible. I shall not take more than a few minutes. I sent in a Bill against the adulteration of food articles, but unfortunately His Excellency the Viceroy did not allow its introduction. The question that is before us now is not the prohibition of ghee as such. May I ask the Government of India, "Are they fair, are they honest in calling it ghee and allowing the customs officers to have this article imported into this country under the name of ghee?" Is there any other country in which it can be called butter? Is it not a fact that the thing which is called vegetable ghee is nothing else but oil? Why do not the Government force these people to name it as vegetable oil or hydrogenated oil? It is only in this country, Sir, that the Government allow an article to pass under a false name.

That is my first objection against the import of this article. The use of vegetable oil in disguise for butter was once introduced in England also. Did the Government in England allow this article to be manufactured or to be advertised as ghee or as butter? If it could not be done in England, how is it that every day people are

4 P.M.

[Mr. Mukhtar Singh.]

selling it as ghee in this country? If I remember aright, India is selling milk at the highest rates and is selling ghee at the cheapest rates. But the Government of India, by allowing the competition of a false article with a genuine one, has tried to stifle the dairy industry. The Royal Commission on Agriculture also invited the attention of the Government of India to this fact, but they have not done anything in the matter. The Honourable the Commerce Member has said that it is for the Provincial Governments or the Municipal Boards to pass such legislation. But I know that, in Meerut, they decided to put a very high duty upon the import of this vegetable ghee. The matter was referred to the Local Government, and they said the Municipal Boards were not competent to do it because it was an article which could not be prohibited or taxed when the Government of India had allowed its import into this country. Sir, it comes to this, that when we go to the Government of India they say, "Go to the Local Governments"; and when we go to the Local Government, they say, "It is not our province". If this is the method by which articles of foreign manufacture are to be advertised in this country, and especially those articles which tell against human health, with what face can the Government of India say, "We look after the physique and health of this country"?

The question of vegetable ghee has been brought several times before the Assembly, and I do not know whether the matter has ever been referred to the medical experts. I know that, even so far, there is no test which can be applied to vegetable ghee being mixed with butter, and by which test it can be known whether it contains any vegetable ghee or not. Even research on that point has not taken place. That clearly shows that the Government of India, because of the numerous questions in this House and because of a Resolution passed in the Council of State, wanted, as a matter of course, to oblige this Assembly by referring the matter to the Provincial Governments and there is the end of the matter. Is it or is it not a fact that vegetable ghee is a competitor against the genuine ghee? Is it or is it not necessary that the dairy industry should be helped, if not by improving it, which the Government of India will never do, at least by not putting a competitor in its way? This is the least the Assembly should require, and I consider that it will not do simply to refer the matter to the Local Governments. With these words I support the motion.

Sir Frank Noyce (Secretary, Department of Education, Health and Lands): Sir, as Secretary of the Department which deals with questions of health, there is one point which has been raised by the Honourable Members opposite on which I am perhaps in a position to enlighten the House. The accusation has been brought against the Government that they have not consulted medical experts in regard to the value of vegetable ghee as an article of food. That, Sir, is not the case. The Government have obtained various opinions on this point from medical officers of health and from public analysts. As is so often the case with experts, their opinions are not altogether in agreement, but there is a general consensus of opinion that vegetable ghee is in no way deleterious to public health.

Maulvi Muhammad Yakub: And what is the opinion of the minority?

Sir Frank Noyce: I have not the opinions with me, but I shall be glad to go through them again and give the Honourable Member a summary of them. I can however assure the House that there is very general agreement on the point that vegetable ghee is in no way deleterious to health.

Dr. B. S. Moonje (Nagpur Division: Non-Muhammadan): Is it deficient in vitamins?

Sir Frank Noyce: I was coming to that point. It is undoubtedly deficient in certain vitamins of value, but I am not an expert on that point. My Honourable friend, Colonel Gidney, will perhaps be able to enlighten the House in regard to it. But, as I said, there is this opinion that vegetable ghee is deficient in certain vitamins which are to be obtained from milk, vegetables and some other foodstuffs. So, if people are not able to get milk and vegetables, obviously they cannot get those vitamins by using vegetable ghee. But the experiments of the experts have also shown—and it is an interesting fact—that even pure ghee may be deficient in the same vitamins, as they can be destroyed in the process of cooking. Therefore, Sir, from the point of view of public health there is no objection to the use of vegetable ghee as a substitute for the pure article.

The Honourable the Commerce Member has pointed out that this question, in the main, is one for Local Governments and that it is for them to pass Pure Food Acts on the same lines as that which is in force in the Punjab, which prevents the use of the term "ghee" for anything except the pure ghee. I am authorised by him to say that he is prepared to consider the question of legislation to supplement the enactments of Provincial Governments and to make it impossible to import the vegetable product under the name of ghee. I trust that this assurance will satisfy the House.

Lieut.-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): Sir, I shall be very brief in my remarks. The Honourable Member (Sir Frank Noyce) has referred to me for a medical opinion. I have not specialised myself in the analytical differences between pure ghee *versus* vegetable ghee. But, speaking as a professional man, there is not the least doubt . . . . .

Maulvi Muhammad Yakub: What is your profession?

Lieut-Colonel H. A. J. Gidney: And what is yours? Speaking as a medical man (I hope the Honourable the Deputy President understands me now), I say without any hesitation that animal ghee possesses more nutrition than vegetable ghee, and I do think that the promiscuous introduction into this country and the "palming of" of a ghee cheaper both in nutritive qualities and in price does place animal ghee in this country at a great disadvantage and a discount, and I think the suggestion put forward from the other side that there should be some very marked distinguishing or differentiating feature, say, colouring vegetable ghee or some such indicator as is demanded from chemists to distinguish poisonous from non-poisonous lotions, is a good one and will go a long way to satisfying the opposite Benches and letting the public know which was which.

Mr. President: The question is:

"That the Demand under the head 'Customs' be reduced by Rs. 100."

The Assembly divided:

AYES—37.

Abdoola Haroon, Haji.
Abdul Matin Chaudhury, Maulvi.
Aney, Mr. M. S.
Ayyangar, Mr. K. V. Rangaswami.
Bhargava, Pandit Thakur Das.
Birla, Mr. Ghanshyam Das.
Das, Mr. B.
Das, Pandit Nilakantha.
Dutt, Mr. Amar Nath.
Ghazanfar Ali Khan, Raja.
Gulab Singh, Sardar.
Haji, Mr. Sarabhai Nemchand.
Jayakar, Mr. M. R.
Jehangir, Sir Cowasji.
Kelkar, Mr. N. C.
Kunzru, Pandit Hirday Nath.
Lalchand Navalrai, Mr.
Malaviya, Pandit Madan Mohan.
Moonje, Dr. B. S.
Mukhtar Singh, Mr.
Munshi, Mr. Jehangir K.
Neogy, Mr. K. C.
Patil, Rao Bahadur B. L.
Purshotamdas Thakurdas, Sir.
Rajan Bakhsh Shah, Khan Bahadur Makhdum Syed.
Rang Behari Lal, Lala.
Rao, Mr. G. Sarvotham.
Sarda, Rai Sahib Harbilas.
Sarfaraz Hussain Khan, Khan Bahadur.
Shafee Daoodi, Maulvi Mohammad.
Shah Nawaz, Mian Mohammad.
Siddiqi, Mr. Abdul Qadir.
Singh, Mr. Gaya Prasad.
Sinha, Mr. Rajivaranjan Prasad.
Talatuley, Mr. S. D.
Yakub, Maulvi Muhammad.
Ziauddin Ahmad, Dr.

NOES—43.

Abdul Aziz, Khan Bahadur Mian.
Abdul Qaiyum, Nawab Sir Sahibzada.
Anwar-ul-Azim, Mr.
Banarji, Mr. Rajnarayan.
Baum, Mr. E. F.
Chatterjee, The Revd. J. C.
Coatman, Mr. J.
Cocke, Sir Hugh.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Crerar, The Honourable Sir James.
Crosthwaite, Mr. H. S.
Dalal, Dr. R. D.
Ferrers, Mr. V. M.
French, Mr. J. C.
Gidney, Lieut.-Colonel H. A. J.
Gwynne, Mr. C. W.
Hamilton, Mr. K. L. B.
Heathcote, Mr. L. V.
Hira Singh, Brar, Sardar Bahadur, Honorary Captain.
Howell, Mr. E. B.
Jawahar Singh, Sardar Bahadur Sardar.
Lamb, Mr. W. S.
Lindsay, Sir Darcy.
Mitra, The Honourable Sir Bhupendra Nath.
Mitter, The Honourable Sir Brojendra.
Monteath, Mr. J.
Moore, Mr. Arthur.
Mukherjee, Rai Bahadur S. C.
Noyce, Sir Frank.
Pai, Mr. A. Upendra.
Parsons, Mr. A. A. L.
Rainy, The Honourable Sir George.
Rajah, Rao Bahadur M. C.
Rau, Mr. H. Shankar.
Sahi, Mr. Ram Prashad Narayan.
Sams, Mr. H. A.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Slater, Mr. S. H.
Tin Tut, Mr.
Yamin Khan, Mr. Muhammad.
Young, Mr. G. M.

The motion was negatived.

Mr. President: Perhaps this will be a convenient stage to adjourn if Honourable Members have no objection.

The Honourable Sir George Schuster: Sir, the original Demand has still to be put.

Mr. President: There is one motion in the name of Haji Abdoola Haroon.

Haji Abdoola Haroon: I do not want to move it.*

Mr. President: The question is:

"That a sum not exceeding Rs. 77,57,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Customs'."

The motion was adopted.

Mr. President: I do not think Honourable Members are anxious to sit longer. The House stands adjourned till to-morrow morning, at Eleven o'clock.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 12th March, 1930.

*"That the Demand under the head 'Customs' be reduced by Rs. 100 (Increase in sugar duty)."

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LEGISLATIVE ASSEMBLY.

Wednesday, 12th March, 1930.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

MEMBER SWORN:

Mr. P. T. Kumaraswamy Chettiyar, M.L.A. (Madras City: Non-Muhammadan Urban).

QUESTIONS AND ANSWERS.

SELECTION OF CANDIDATES FOR THE INDIAN MEDICAL SERVICE.

501. ***Sardar Gulab Singh:** (*a*) Will Government please state in continuation to my unstarred question No. 93 of the 20th January, 1930:

(i) the total number of Indian candidates who applied for permanent commissions in the Indian Medical Service in July 1929 only; and

(ii) the number of Indian candidates who applied, through the India Office, while residing in England, for consideration by the Selection Board in India in July 1929 only?

(*b*) Will Government please state:

(i) if the India Office had had any preliminary selection of such candidates; and

(ii) if so, the number and qualifications of the candidates, marked definitely unsuitable by the India Office?

(*c*) Will Government be pleased to state:

(i) the number and qualifications of the candidates from England as placed into the three different categories "suitable", "possible" and "definitely unsuitable" by the Selection Board in India in the selection of July 1929 only;

(ii) the number and qualifications of candidates from India, who applied for the July 1929 selection only, arranged into the three different groups of "suitable", "possible" and "definitely unsuitable"; and

(iii) the number and qualifications of candidates marked "suitable" from both India and England who have been finally approved by the India Office for permanent commissions in the Indian Medical Service for the July 1929 selection only?

(*d*) Will Government please state if all the candidates marked "definitely unsuitable" were passed fit by the Medical Board held either in India or England?

(*e*) Will Government please state:

(i) if it is a fact that there are a good number of Indian candidates, who have been marked "definitely unsuitable" and debarred from appearing before any subsequent selection by the Selection Board in India, and who have neither held any temporary commission nor had any bad remarks in their service records; and

(ii) What action do Government propose to take, so as to give them all (candidates from India and England) an equal chance till some other amendments for the methods of recruitment to permanent commissions of the Indian Medical Service are put into force?

Mr. G. M. Young: (*a*) (i) and (ii). The numbers that were considered by the Board in July, 1929, are, respectively, 80 and 12. They applied at various times.

(*b*) (i) At the request of the Government of India, the India Office interviewed certain candidates who were in England at the time.

(ii) A statement showing the qualifications is placed on the table.

(*c*) (i) 3 were considered suitable.

6 were considered possible.

3 were considered definitely unsuitable.

(ii) 20 were considered suitable.

26 were considered possible.

22 were considered definitely unsuitable.

(iii) 23.

A statement showing the qualifications is placed on the table.

(*d*) In India, yes. No report has been received about the 3 candidates rejected in England.

(*e*) (i) Yes, Sir.

(ii) All candidates have an equal chance under the present system.

STATEMENT I.

Qualifications of candidates considered suitable and selected (23).

From England (3).

M.B.B.S. (Madras), F.R.F.P. and S. (Glas.), L.M. (Dub.), M.M. and P. (Lond.), Primary F.R.C.S. (I), preparing for final F.R.C.S. (I), M.R.C.P.

M.B. (Cal.), M.R.C.S. (Eng.), L.R.C.P. (Lond.), F.R.C.S. (Eng.), preparing for B.Sc. (Honours), and D.O.M.S. (Lond.).

M.B.Ch.B. (Edin.), D.T.M. (Liverpool), M.D. (Edin.), Clinical.

From India (20).

M.B.B.S. (Punjab), M.R.C.S. (Eng.), L.R.C.P. (Lond.), D.O.M.S. (Lond.), D.L.O. (Lond.).

M.B.B.S. (Allahabad).

M.R.C.S. (Eng.), L. R. C. P. (Lond.), L.M.S.S.A. (Lond).

M.B.B.S. (Punjab), L. M. (Dublin), D. T. M. (Liverpool), D.P.H. (Lond.).

M.B.B.S. (Bombay), L.R.C.P. (Lond.), M.R.C.S. (Eng.), passed Primary F.R.C.S.I.

M.R.C.S. (Eng.), L.R.C.P. (Lond.).

M.B.B.S. (Bombay), M.R.C.S. (Eng.), L.R.C.P. (Lond.), studying for F.R.C.S.

M.B. (Cal.), M.R.C.S. (Eng.), L.R.C.P. (Lond.), F.R.C.S. (Eng.).

M.B.B.S. (Bombay), D.P.H. (Camb.), D.T.M. and H. (Camb.), L.R.C.P. (Lond.). Preparing for M.R.C.S. (Eng.).

M.B.B.S. (Aberdeen).

B.Sc. (Punjab), M.B.Ch.B. (Edin.).

M.B.Ch.B. (Edin.).

M.B.Ch.B. (Edin.).

M.D. (Harvard, U. S. A.), M.R.C.S. (Eng.), L.R.C.P. (Lond.), L.M.S.S.A. (Lond.), L.M. (Dublin).

B.A. (Punjab), M.B.Ch.B. (St. And.), D.T.M. and H. (Lond.).

M.B.B.S. (Punjab), L.R.C.P. (Lond.), M.R.C.S. (Eng.), D.T.M. and H. (Lond.).

M.B.B.S. (Punjab), F.R.C.S. (Edin.).

M.B.Ch.B. (Edin.), D.T.M. (Liverpool), M.D. (Edin.), Clinical.

M.B.Ch.B. (St. And.), L.D.S. (St. And.).

M.B.B.S. (Bombay), M.R.C.P. (Edin.), D.T.M. (Liverpool), T.D.D. (Wales).

STATEMENT II.

Qualifications of candidates considered suitable but not selected (32).

From England (6).

L.R.C.P. (Lond.), M.R.C.S. (Eng.), Primary F.R.C.S. (Eng.), preparing for final F.R.C.S. (Eng.).

M.B.B.S. (Madras), M.R.C.S. (Eng.), L.R.C.P. (Lond.), D.O.M.S. (Lond.).

M.B.B.S. (Bombay), D.P.H. (Lond.), D.O.M. S. (Lond.).

M.R.C.S. (Eng.), L.R.C.P. (Lond.).

M.B.B.S. (Punjab), D.T.M. and H. (Lond.).

M.B.B.S. (Madras), L.R.C.P. (Lond.), M.R.C.S. (Eng.), Primary F.R.C.S. (Eng.).

From India (26).

M.B.B.S. (Punjab), M.R.C.S. (Eng.), L.R.C.P. (Lond.), D.P.H. (Lond.), D.T.M. (Liverpool).

L.R.C.P. and S. (Edin.), L.R.F.P. and S. (Glas.).

L.R.C.P. (Lond.), M.R.C.S. (Eng.).

M.B.B.S. (Punjab), D.T.M. (Liverpool), D.P.H. (Lond.).

M.B.B.S. (Bombay), M.R.C.S. (Eng.), L.R.C.P. (Lond.).

M.B.B.S. (Lucknow).

M.B.B.S. (Bombay), L.R.C.P. (Lond.), M.R.C.S. (Eng.).
M.B.B.S. (Bombay), L.R.C.P. (Lond.), M.R.C.S. (Eng.), L.M. (Dublin), D.T.M. (Liverpool), D.P.H. (Lond.).
M.B.B.S. (Bombay).
M.Sc. (Cal.), M.B. Ch.B. (Edin.).
B.A. (Bombay), M.B.B.S. (Bombay), D.T.M. and H. (Lond.), L.R.C.P. (Lond.), M.R.C.S. (Eng.).
M.B.B.S. (Bombay), L.M. (Dublin).
M.B.Ch.B. (Liverpool), M.R.C.S. (Eng.), L.R.C.P. (Lond.).
M.B.Ch.B. (St. And.), L.M.S.S.A. (Lond.), L.D.S.R.F.P.S. (Glas.). L.M. (Dublin).
M.R.C.P. (Edin.), M.R.C.P. (Ireland), M.R.C.S. (Eng.), L.R.C.P. (Lond.), D.T.M. and H. (Lond.).
M.B.B.S. (Punjab), M.R.C.S. (Eng.), L.R.C.P. (Lond.), D.P.H. (Lond.), D.T.M. (Liverpool).
M.B.B.S. (Bombay).
M.B.Ch.B. (Edin.), L.M. (Dublin).
M.B.Ch.B. (Edin.).
M.B.Ch.B. (Edin.).
M.B.B.S. (Bombay), F.R.C.S. (Edin.), D.L.O. (R.C.S. Eng.).
M.B.B.S. (Madras).
B.A. (Allahabad), M.B.B.S. (Bombay).
M.B.B.S. (Punjab).
M.B.B.S. (Bombay).
M.B.Ch.B. (Edin.).

STATEMENT III.

Qualifications of candidates considered definitely unsuitable (25).

From England (3).

L.R.C.P. and S. (Lond.), L.R.F.P. and S. (Glas.), studying for M.R.C.P. (Edin.).
M.B. (Cal.), L.R.C.P. and S. (Edin.), L.R.F.P. and S. (Glas.), M.R.C.P. (Edin.).
F.R.C.S. (Edin.), M.R.C.S. (Eng.), L.R.C.P. (Lond.), D.O.M.S.(Lond.), D.O. (Oxon.).

From India (22).

M.B.B.S. (Punjab).
M.B.B.S. (Madras).
M.B.Ch.B. (Leeds).
M.B.B.S. (Allahabad), D.P.H. (Lond.).
M.B.B.S. (Bombay), D.P.H. (Lond.), D.T.M. and H. (Lond.).
M.B.B.S. (Lond.), M.R.C.S. (Eng.), L.R.C.P. (Lond.).
L.R.C.P. and S. (Edin.), L.R.F.P. and S. (Glas.), D.T.M. (Liverpool), L.M. (Dublin).
M.R.C.S. (Eng.), L.R.C.P. (Lond.).
M.B.B.S. (Madras), B.Sc. (Madras).
M.B. (Cal.), B.Sc. (Cal.).
L.M. (Dublin), L.R.C.P. and S. (Edin.), L.R.F.P. and S. (Glas.).
M.B.B.S. (Punjab), D.P.H. (Lond.), D.T.M. and H. (Lond.).
M.B.B.S. (Madras), D.O.M.S. (Lond.), F.R.C.S. (Edin.).

L.R.C.P. and S. (Edin.), L.R.F.P. and S. (Glas.).
M.R.C.P. (Edin.), L.R.C.P. and S. (Edin.), L.R.F.P. and S. (Glas.), D.T.M. (Liverpool), L.M. (Dublin), D.T.M. and H. (Camb. Pt. 1).
M.B.B.S. (Punjab), D.P.H. (Lond.), D.T.H. and H. (Lond.), L.M. (Dublin).
M.B.B.S. (Punjab), D.P.H. (Lond.), D.T.M. (Liverpool).
F.R.C.S. (Edin.), L.R.C.P. and S. (Edin.), L.R.F.P. and S. (Glas.).
M.B.B.S. (Punjab), D.O.M.S. (Lond.), D.P.H. (Lond.), L.M. (Dublin).
M.B.B.S. (Punjab), L.R.C.P. (Lond.), D.P.H. (Lond.), D.T.M. (Liverpool).
L.R.C.P. and S. (Edin.), L.R.F.P. and S. (Glas.).
M.B.B.S. (Punjab), D.T.M. (Liverpool), D.P.H. (Lond.), L.M. (Dublin).

IMPORT DUTY ON CIGARETTES.

502. ***Mr. G. Sarvotham Rao:** (*a*) Will Government be pleased to state whether it is a fact that, till 1925, the import duty on cigarettes was on an *ad valorem* basis and that, since 1925, it has been changed into a specific duty?

(*b*) If so, will Government state the reasons which induced them to make the change?

(*c*) Are Government aware that the result of this change has been the elimination of cheaper brands of cigarettes from the import trade?

(*d*) Are Government also aware that it is in the cheaper classes of cigarettes that the demand in the country is growing apace?

(*e*) Are Government also aware that the consumption of the cheaper brands of cigarettes has gone up by 75 per cent. since 1925?

(*f*) Is it a fact that, though cheaper cigarettes have come to be manufactured within India, this has not appreciably increased the Government's revenue?

(*g*) Do Government propose to consider the advisability of taking early steps in the matter?

The Honourable Sir George Rainy: (*a*) Yes. The specific rates of duty came into force on the 30th March, 1925.

(*b*) The Honourable Member is referred to the Statement of Objects and Reasons appended to the Indian Tariff (Amendment) Bill, 1925, which is available in the Library.

(*c*) No.

(*d*) and (*e*). Government have no reason to doubt that this is the case.

(*f*) The answer is in the affirmative in so far as customs revenue alone is concerned. But the Honourable Member will no doubt realise that Government probably do stand to gain something by way of income-tax, for example, though it is not possible to estimate the amount so gained.

(*g*) Government do not propose to make any change at present.

Mr. W. S. Lamb: Is it not a fact that certain importers were invoicing cigarettes for customs purposes at very low rates whilst selling them at the full prices charged by their indigenous competitors?

The Honourable Sir George Rainy: I must ask for notice of that question.

Mr. Gaya Prasad Singh: Are Government aware that cigarettes are very injurious to health and it is desirable to discourage their use by imposing heavy import duties?

The Honourable Sir George Rainy: That is a point of view which I have no doubt Government would take into consideration if it were pressed upon them by the Benches opposite.

Mr. W. S. Lamb: With regard to answer (*f*), is it not a fact that, since 1925, the receipts from the import duty on cigarettes have increased by 54 per cent. and on unmanufactured tobacco by 47 per cent.?

The Honourable Sir George Rainy: I am quite willing to take these figures from my Honourable friend.

CONSTRUCTION OF A BRIDGE OVER THE GANGES AT MOKAMEH GHAT.

503. ***Mr. Adit Prasad Singh:** (*a*) Will Government be pleased to state what steps, if any, are in contemplation or being taken for the construction of a bridge over the Ganges at Mokameh Ghat?

(*b*) If so, when is it expected to be taken up?

(*c*) Are Government aware of the fact that due to the silting up of the Ganges at Mokameh Ghat passengers are put to endless trouble due to the shifting of the ferry ghats every year?

(*d*) Are Government aware of the fact that the number of the travelling public has almost doubled in the course of few years and the carrying capacity of the train and steamer being as before, great hardship and trouble is felt by the public at this place, and the Bengal and North Western Railway has no regard for the convenience and ease of the passengers?

(*e*) Are Government also aware of the fact that Mokameh Ghat is one of the biggest transhipment stations in India, and that bridges have been constructed at places of lesser importance (*vide* Railway Commission Report and Railway Police Commission Report)?

Mr. A. A. L. Parsons: Government are aware that Mokameh Ghat is an important transhipment station, and that the construction of a bridge over the Ganges there would be a convenience to the public. But on an estimate made in 1923 the cost of a bridge to carry a metre gauge line is likely to be nearly 2 crores, and at this figure it would not at present be a paying proposition. The Railway Board cannot therefore hold out any hope that the bridge will be taken up in the near future.

NAUTICAL TRAINING IN ENGLAND AND IN INDIA.

504. ***Dr. B. S. Moonje:** (*a*) Will Government please state:

(i) How many preparatory nautical schools there are in England;

(ii) How many students there are in all who receive training in these schools;

(iii) What subjects, scholastic and technical, are taught to students;

(iv) The duration of the course of training; and

(v) At what ages boys are admitted into the schools?

(*b*) What arrangements are made in India, in view of the Government proposals for the expansion of the Indian marine and for establishing a Royal Indian Navy for similar training of Indian boys?

(*c*) How many Indian boys, if any, are under similar training at present in India?

(*d*) Besides the ordinary book education, what other technical subjects are taught to Indian boys under training on the "Dufferin" ship to give a speciality of its own to it?

Mr. G. M. Young: (*a*) (i), (iii) and (iv). Government have no precise information.

(*a*) (ii), (v), (*b*), (*c*) and (*d*). The attention of the Honourable Member is invited to the answer I gave about a week ago to his starred question No. 419 which was couched in almost identical terms.

COMPULSORY PHYSICAL TRAINING, ETC., FOR INDIAN BOYS.

505. ***Dr. B. S. Moonje:** With respect to my question No. 557, asked on the 17th September, 1929, regarding a Bill to provide for compulsory physical training, military drill and rifle practice for Indian boys, and the several supplementary questions thereon and the answers given by the Honourable Sir B. L. Mitter, the Honourable Sir Frank Noyce and the Honourable Sir James Crerar, and particularly with respect to the answer given by the Honourable the Home Member that, "The matter is one which requires very careful consideration and the Government of India have not yet finally arrived at a conclusion as to the terms in which the Local Governments should be addressed", and that "We are considering the terms in which the Local Governments could be addressed in a manner which will cover the whole question adequately", will Government please state:

(*a*) If they have come to any decision in the matter, and

(*b*) If the Government are now prepared to recommend the grant of the necessary sanction to the Bill of Mr. V. V. Kaliker, M.L.C., of which he has given notice in the Legislative Council of the Central Provinces and Berar to provide for compulsory physical training, military drill and rifle practice for Indian boys?

The Honourable Sir James Crerar: (*a*) Local Governments were addressed in September last on the question of providing compulsory physical training, games and drill for Indian boys between the ages of 12 and 20 attending schools. They were addressed in January last on the possibility of encouraging the use of miniature rifle ranges in schools and colleges. A number of replies are still awaited.

(*b*) The matter is still under consideration.

RECRUITMENT FOR THE IMPERIAL FOREST SERVICE OF INDIA.

506. ***Dr. B. S. Moonje:** (*a*) Will Government please state if there are two systems of recruitment to the Imperial Forest Service of India—one of direct recruitment from the schools, colleges and universities of England by selection or nomination and the other of open competitive examination?

(*b*) If so, will Government please state:

(i) If any of the Indian educational institutions or colleges or Universities have been given the privilege of nominating candidates or offering candidates for selection;

(ii) If Indians are also eligible for such nomination or selection from British educational institutions; and

(iii) If Indians with British or foreign or Indian degrees in science and forestry are eligible for direct recruitment?

(*c*) If not, will Government please state the reasons therefor?

(*d*) Is the open competitive examination held both in England and in India?

(*e*) If so, is there any proportion fixed between British and Indian candidates in the matter of recruitment to the Imperial Forest Service of India?

(*f*) What are the subjects fixed for the competitive examination?

(*g*) What are the subjects for the B.Sc. (Forestry) and B.Sc. (Pure Science) degrees of British Universities?

(*h*) Are British candidates of B.Sc. (Pure Science) degrees eligible for direct recruitment to the Imperial Forest Service?

(*i*) Are they without having any training in forestry science subjects, preferred to Indians with forestry science degrees? If so, why?

(*j*) Is it not a fact that graduates in pure science will have to spend some time in learning forestry, whereas graduates in B.Sc. (Forestry) have not to?

Sir Frank Noyce: (*a*) The various methods of making appointments to the Indian Forest Service are set out in Rule 2 of the Indian Forest Service (Recruitment) Rules, 1928, which were published in the Gazette of India, dated the 22nd February, 1930, under notification No. 232-F. The Honourable Member's attention is invited to this notification. Recruitment of British candidates in England is effected by nomination, but candidates are not selected from schools and colleges. They are men who have obtained theoretical and practical training in forestry generally in some University.

(*b*) The reply to parts (i) and (ii) of part (*b*) is in the negative. As regards part (iii), I would invite the Honourable Member's attention to rule 10 of the rules in part III of the notification already mentioned by me. In exceptional cases the Public Service Commission may treat a candidate possessing non-Indian qualifications of a standard equivalent to recognised Indian standards as qualifying for admission to the competitive examination in India, provided that the other conditions included in part III of that notification are satisfied. I should, however, add that there are no Indian degrees in Forestry.

(*c*) The main reason for not resorting to nomination of Indian candidates, except in so far as this may be necessary to redress communal inequalities, is that none of the Universities in India impart instruction in Forestry. Such training has to be given at the Forestry College, Dehra Dun, and the best means of securing candidates for it is by means of a preliminary competitive examination designed to test the general intelligence, the scientific aptitude and the physical fitness of those desirous of entering the Indian Forest Service.

(*d*) The open competitive examination is held in India only.

(*e*) In accordance with the recommendation made by the Lee Commission, the percentage of European and Indian recruits was fixed at 25 and 75, respectively, with effect from the 1st April, 1924, in those provinces in which Forest administration is at present a reserved subject.

(*f*) The Honourable Member's attention is invited to regulation 8 of the regulations for admission to the competitive examination, 1930, published in the issue of the Gazette of India already mentioned by me.

(*g*) It is regretted that the information required in not readily available.

(*h*) I have attempted to answer this part of the question in my reply to part (*a*).

(*i*) No. The second part does not arise.

(*j*) Yes.

Dr. B. S. Moonje: Is it a fact that British boys with purely Science B.Sc. degrees are preferred to Indian boys with Science and Forestry degrees?

Sir Frank Noyce: No, Sir; as I have already explained to the Honourable Member, the British candidates are candidates who have obtained theoretical and practical training in Forestry.

Pandit Hirday Nath Kunzru: With reference to the answer to part (*e*) of the question, is the Honourable Member aware that the Public Service Commission of 1912 recommended, in their Report, that recruitment to the Forest Service should, as early as possible, be made in India only?

Sir Frank Noyce: I think the recommendation of that Commission has been superseded by the recommendation of a later Commission.

Pandit Hirday Nath Kunzru: On what grounds has that recommendation been superseded by that of the Lee Commission?

Sir Frank Noyce: Because the latter Commission came later.

Pandit Hirday Nath Kunzru: Did the latter Commission at all consider the question of recruitment to the technical services in the way in which the Islington Commission did?

Sir Frank Noyce: I must ask for notice of that question.

APPOINTMENT OF A MUHAMMADAN TO A SENIOR RAILWAY ACCOUNTS POST.

507. ***Maulvi Abdul Matin Chaudhury** (on behalf of Mr. Muhammad Ismail Khan): (*a*) Is it a fact that the posts of Deputy Director, Finance, Railway Board, Deputy Controller of Railway Accounts and Accounts Officer, Class I in the office of the Controller of Railway Accounts fell vacant recently or are likely to fall vacant shortly?

(*b*) Is it a fact that there is only one Muhammadan Gazetted officer in the office of the Financial Commissioner, Railways, and none in that of the Controller of Railway Accounts?

(*c*) If the replies to parts (*a*) and (*b*) are in the affirmative, are Government prepared to consider the desirability of appointing a Muhammadan officer to one of the senior appointments at the time of filling the above posts?

Mr. A. A. L. Parsons: (*a*) and (*c*). A vacancy recently occurred in the post of Deputy Controller of Railway Accounts, owing to the transfer of an officer of the Indian Audit and Accounts Service to Foreign service, and has been filled by another officer of that service lent by the Auditor General.

A vacancy of Accounts Officer, Grade I, in the Controller of Railway Accounts Office is likely to occur shortly, when an officer of the Indian Audit and Accounts Service now filling that post goes on leave. The vacancy, when it occurs, will be filled by an officer lent by the Auditor General from the Indian Audit and Accounts Service.

(*b*) Yes.

Maulvi Abdul Matin Chaudhury: With regard to the appointment that is going to fall vacant, do Government propose to suggest, or have they already suggested, any name to the Auditor General?

Mr. A. A. L. Parsons: Under the arrangements at present in force there is no question of the Railway Board or of the Financial Commissioner of Railways suggesting any name to the Auditor General. Nor could I give any undertaking that appointments of this description in the ordinary line will be filled by members of any particular community. I believe, however, that in this particular instance, the post will happen to be filled by a Muhammadan.

APPOINTMENT OF A MUHAMMADAN TO A SENIOR OFFICER'S POST IN THE FINANCE DEPARTMENT.

508. ***Maulvi Abdul Matin Chaudhury** (on behalf of Mr. Muhammad Ismail Khan): (*a*) Will Government be pleased to lay on the table a statement showing the names and religion of the Indian officers holding Gazetted appointments above the rank of Superintendent in the Secretariat under the control of the Honourable Member, Finance?

(*b*) In view of the great paucity of Muslims in these posts, are Government prepared to consider the advisability of appointing a suitable Muhammadan officer to one of the senior posts at an early date?

The Honourable Sir George Schuster: (*a*) A statement is laid on the table.

(*b*) Of the nine officers included in the statement, four belong to the Indian Audit and Accounts Service, and, as explained in reply to part (*a*) of Nawab Sir Zulfiqar Ali Khan's unstarred question No. 288 on the 7th March, 1928, officers of this Service are liable to transfer all over India, and communal considerations are not taken into account in distributing them over individual offices. The rest of the officers have been promoted from the rank of Superintendent; and, as the Honourable Member is no doubt aware, in these cases of departmental promotions also, which must be governed by considerations of seniority and merit, communal considerations are not allowed to operate. I may add that one of the officers is a Muhammadan, one a Christian and one a Sikh; in other words, minority communities hold one-third of the nine posts held by Indian officers.

Statement showing the names and religion of the Indian Officers holding Gazetted appointments above the rank of Superintendent in the Finance Department Secretariat.

Name.	Designation.	Religion.
Finance Department—		
Mr. H. Shankar Rau, B. A.	Budget Officer	Hindu.
Sardar Bahadur Sital Singh, M.A.	Under Secretary	Sikh.
Mr. J. Santos, B. A.	Assistant Secretary	Christian.
Mr. K. Sanjiva Row, M.A.	Ditto	Hindu.
Khan Sahib Shah Mohammed, M.A.	Ditto	Muhammadan.
Military Finance—		
Rai Bahadur K. C. Maulik, B.A.	Assistant Financial Adviser	Hindu.
Rai Sahib H. D. Banerji	Ditto	Hindu.
Mr. Gaya Pershad	Ditto	Hindu.
Mr. Amar Nath	Offg. Assistant Financial Adviser	Hindu.

GRANTS SANCTIONED FOR LOCAL BODIES IN DELHI.

509. ***Rai Sahib Harbilas Sarda:** Will Government kindly state what grants have been sanctioned to be given from Central Revenues, both recurring and non-recurring, during the years 1926-27, 1927-28, 1928-29 and 1929-30 to—

(*a*) The Delhi Municipal Committee,

(*b*) The Delhi District Board,

(*c*) The Delhi Administration for all other purposes?

The Honourable Sir James Crerar: The information is being collected and will be supplied to the Honourable Member.

UNDUE PROPORTION OF CIVILIAN JUDGES IN THE PATNA HIGH COURT.

510. ***Mr. Gaya Prasad Singh:** (*a*) Is it a fact that at present there are eleven Judges in the Patna High Court, nine of whom are permanent, and two additional?

(*b*) Is it a fact that out of these eleven Judges, as many as six were members of the Indian Civil Service, and only five were lawyers?

(*c*) Is there any other High Court in India in which the number of Civilian Judges exceeds the number of judges drawn from the legal profession?

(*d*) Do Government propose to make a more equitable proportion either by reducing the number of Civilian Judges, or by increasing the number of lawyer Judges at the next opportunity?

The Honourable Sir James Crerar: (*a*) The permanent strength of this High Court is nine and there are two additional Judges.

(*b*) The fact is as stated. It is due to the appointment of a civilian to officiate in the vacancy caused by the resignation of Mr. Justice Das, pending the appointment of a permanent successor. The proportions prescribed by section 101 (4) of the Government of India Act have reference to permanent judges only and not to officiating and temporary additional judges. Of the 8 permanent judges now present, 5 are lawyer judges.

(*c*) Not at present.

(*d*) The statutory proportion of civilian judges is the number required under the Government of India Act for the permanent judgeships. As regards other vacancies or appointments I am unable at present to say what proposals will be made when the occasion arises.

Mr. Gaya Prasad Singh: Sir, is it a fact that Mr. Justice Macpherson and Mr. Justice Sir Jwala Parshad are shortly going on long leave, and that it is contemplated that two members of the Civil Service, Mr. Rowland and Mr. Luby, are to officiate for them?

The Honourable Sir James Crerar: I am afraid I must ask the Honourable Member notice of that question.

Mr. B. Das: Is the Honourable Member aware that, since the establishment of the Patna High Court, no Oriya High Court Judge has been appointed, and will the Government consider, when the next vacancy arises, the appointment of an Oriya gentleman to the Patna High Court?

The Honourable Sir James Crerar: I have no doubt that, when the occasion arises, the claims of every eligible candidate will be most carefully considered, including any eligible candidate from the Honourable Member's community.

Mr. Gaya Prasad Singh: Including an Oriya engineer. (Laughter.)

UNRELIABILITY OF VOTERS' REGISTERS FOR THE PESHAWAR MUNICIPALITY.

511. ***Maulvi Muhammad Yakub:** (*a*) Will Government be pleased to state if it is a fact:

(i) that municipal election was introduced in the City of Peshawar for the first time in 1929;

(ii) that an inexperienced young Pathan official belonging to a village and absolutely ignorant of Peshawar City was deputed for the preparation of voters' registers;

(iii) that the officer refrained from exercising due supervision of the important registers, and the work was left entirely in the hands of the inexperienced and raw youths employed as Munshis;

(iv) that both Hindus and Muslims complained of the voters' registers being unreliable, incomplete, and worthless on the ground that many educated and respectable people had been omitted, and men of straw and minors who were eligible were enfranchised;

(v) that the officer mentioned in part (ii) who was appointed as a presiding Magistrate, sanctioned numerous applications for correction of wrong entries in the registers presented in the course of voting proceedings and that the anomalous proceeding was ordered by the Deputy Commissioner to be cancelled?

(*b*) If answers to the above questions be in the affirmative, will Government be pleased to state if:

(i) the District Authority has inquired into the reliability or otherwise of the registers; if not, why not?

(ii) the local Government has caused inquiries to be made into the conduct of the official under reference; if not, why not; and

(iii) Government propose to have the registers mentioned above, now in existence, corrected? If not, why not?

Sir Frank Noyce: Information is being obtained and will be supplied to the Honourable Member on receipt.

Maulvi Muhammad Yakub: Will the information be laid on the table of the House?

Sir Frank Noyce: Certainly.

BAD CONDITION OF ROADS IN THE CITY OF PESHAWAR.

512. ***Maulvi Muhammad Yakub:** (*a*) Will Government be pleased to state if it is a fact that the residents of certain mohallas of the city of Peshawar have submitted recently a representation to the Honourable the Chief Commissioner, North-West Frontier Province, and other officers concerned regarding the greatest inconvenience involved to them, on account of accumulation of mud on all the roads inside the town, which are rendered impassable after rain, and that no such trouble exists in the mohallas and bazaars in the Cantonment?

(*b*) If answers to the above questions be in the affirmative, do Government propose to cause inquiries to be made regarding the present condition of the roads and the reasons for the inconvenience caused; and have the old and constant complaints of the residents of the town removed as soon as practicable by having the roads properly remodelled?

Sir Frank Noyce: (*a*) Yes.

(*b*) The present unsatisfactory condition of the roads in the city of Peshawar is due partly to congestion and partly to the inadequate resources of the Municipal Committee. The congestion in the city will be remedied to some extent when the City Extension Scheme is completed. As regards municipal finances, it is for the Local Body to discover other sources of income and to effect the necessary improvements in the condition of roads.

Maulvi Muhammad Yakub: Has the attention of the Army Secretary been drawn to this question, who has already introduced a Bill in the Assembly on this matter?

Sir Frank Noyce: I am sorry I did not quite catch the Honourable Member.

Maulvi Muhammad Yakub: My question was addressed to the Army Secretary and I asked him whether his attention was drawn to this matter as he has already introduced a Bill on this subject?

Mr. G. M. Young: I can hardly introduce a Bill in the Assembly on a subject to which my attention has not been drawn.

Maulvi Muhammad Yakub: I am asking him about this particular question which is now put, whether his attention has been drawn to this question or not?

Mr. G. M. Young: Yes, Sir.

Maulvi Muhammad Yakub: What does he think of it?

(No answer.)

Maulvi Muhammad Yakub: Does he know what is my question?

Mr. G. M. Young: That sounds like a demand for an expression of my opinion on a matter with which my Department does not deal.

CHANGE FOR WATER METERS IN PESHAWAR CANTONMENT.

513. ***Maulvi Muhammad Yakub:** (*a*) Will Government be pleased to state if it is a fact that house-owners in the Cantonment of Peshawar have now been warned, under the orders of the Northern Command, to pay for the water connection meters, or their connections will be cut off?

(*b*) If the answer to part (*a*) be in the affirmative, will Government be pleased to state if water connections have been given to house-owners in the City of Peshawar without meters?

(*c*) If the answer to part (*b*) be in the affirmative, will Government be pleased to state the special reasons which necessitate the house-owners in the cantonment paying for the meters and not those who live in the city?

(*d*) Will Government be pleased to state whether water connection meters have been provided at the cost of Government or house-owners in other cantonments and towns in India and why uniformity of system is not adopted when connections are given?

Mr. G. M. Young: I am making enquiries and will let the Honourable Member know the result in due course.

ENHANCEMENT OF LAND REVENUE IN THE CHARSADDA-TAHSIL.

514. ***Maulvi Muhammad Yakub:** (*a*) Will Government be pleased to state if it is a fact that, against the enhancement of revenue assessed lately by the Settlement Officer, Peshawar District, the Landlords of the Charsadda Tahsil submitted a written protest to that officer for the consideration of the Local Government giving reasons against the enhancement of the existing amount of the revenue of the Tahsil?

(*b*) If the answer to part (*a*) be in the affirmative, will Government be pleased to state the brief purport of the objections raised; and whether the Local Government considered the representation and furnished the applicants with a reply?

(*c*) If the answer to the latter part of (*b*) be in the negative, will Government be pleased to state why the Local Government gave no reply at all?

Sir Frank Noyce: (*a*) Yes.

(*b*) and (*c*). The objection raised were briefly as follows:

(1) That effect should not be given to the new assessment in the Charsadda tahsil earlier than in the Nowshera and Peshawar Tahsils.

(2) That the estimates of agricultural income framed in the settlement were fallacious.

(3) That land revenue should not be fixed at higher than one-fifth the net assets.

(4) That water rates should not be revised except at Settlement.

(5) That certain specified roads should be metalled and that Canal roads should be opened for use to the public.

(6) That drainage was urgently required to prevent water logging.

(7) That no new water mills on Canal Channels should be erected.

(8) That leniency should be shown in the assessment of revenue on water mills.

(9) That the enhancement on the tahsil revenue should not exceed the 29 per cent. sanctioned at the last Settlement.

(10) That statistics of sales and mortgages showed the financial weakness of land owners.

(11) That the rate of remuneration fixed for village headmen should be increased.

(12) That in view of the geographical position of the district, frontier remissions and *Inams* should be generously given.

No formal reply was given to the petitioners but the points raised were carefully considered in detail by the Chief Commissioner in consultation with the Revenue Commissioner and Settlement Officer and the orders passed in so far as they related to assessment were embodied in the Revenue Secretary's letter No. 1252-R., dated the 17th September, 1926, to the Revenue Commissioner which was published with the Assessment report of the Charsadda Tahsil.

COMPLAINTS AGAINST CERTAIN FOREST OFFICERS IN THE NORTH-WEST FRONTIER PROVINCE.

515. ***Maulvi Muhammad Yakub:** (*a*) Will Government be pleased to state if it is a fact that, last year, the public of Saran Division had submitted a statement of grievances to the Honourable the Chief Commissioner, North-West Frontier Province, against the Forest Extra Assistant Conservator of the Division, who is said to have held charge of the same for the last seven years, and that a deputation of the district had waited upon the Honourable the Chief Commissioner about it?

(*b*) If the answer to part (*a*) be in the affirmative, will Government be pleased to state if action was taken by the Local Government and, if so, with what result?

(c) Will Government please state whether as a result of complaints made by the zamindars against the Forest Ranger in charge of Donga Gali range, who is said to have held charge of the *Ilaqa* for the last eight years, the Deputy Commissioner of the district or the Deputy Conservator had appointed a *Jirga* to give a finding about his conduct, and that the Ranger was reported to be guilty of the offence or the offences brought to notice?

(d) If the answer to part (c) be in the affirmative, will Government be pleased to state what action was taken in the matter?

Sir Frank Noyce: (a) Yes. Eighteen petitions dealing with Forest matters were presented to the Chief Commissioner, North-West Frontier Province in the year 1928. The complaints contained in them were not directed against the Extra Assistant Conservator of Forests personally but against the Forest Department Officials generally.

The petitions were enquired into separately by the Deputy Commissioner, Hazara, and were found to be in general baseless.

(b) The question does not arise.

(c) and (d). No complaints were made against the conduct of the Forest Ranger referred to. In September, 1928, a charge of petty extortion was brought against a forest guard and an assistant supervisor. The charge was investigated by a *Jirga* and was found not proved. The *Jirga*, however, reported that these men habitually took "faslana". The forest guard and assistant supervisor were punished departmentally.

APPEARANCE OF COUNSEL IN REVENUE COMMISSIONERS' COURTS IN THE NORTH-WEST FRONTIER PROVINCE.

516. ***Maulvi Muhammad Yakub:** (a) Will Government be pleased to state if it is a fact that the former Revenue Commissioners in the North-West Frontier Province, were in the habit of freely granting permission to counsel to appear in their courts for the benefit of parties concerned in cases relating to *Lambardari*, partition of lands and other similar cases, and are Government aware that, recently, the permission is being refused involving considerable dissatisfaction and inconvenience to the public of the Province?

(b) If answer to part (a) be in the affirmative, will Government please state:

(i) the number of cases in which permission had been sought by parties concerned, and refused by the Revenue Commissioner during the last three years,

(ii) the legal grounds on which the grant of permission had formerly been based, and

(iii) the valid reasons necessitating the deviation now being made?

(c) Do Government propose to have the practice now enforced in the North-West Frontier Province, cancelled as soon as possible?

Sir Frank Noyce: The information is being obtained and will be supplied to the Honourable Member on receipt.

Maulvi Muhammad Yakub: The information will be placed on the table of this House, I presume?

Sir Frank Noyce: Yes, Sir.

LAND ATTACHED TO THE KACHERI MASJID IN PESHAWAR.

517. ***Maulvi Muhammad Yakub:** (a) Are Government aware that with the permission of the Cantonment authority at Peshawar a *mali's* hut had been constructed in the compound of the mosque known as Old Kacheri Masjid, and that a part of the same mosque was used for dumping of manure for gardening purposes?

(b) Do Government know that, on questions asked in this House by Khan Bahadur Haji Wajih-ud-Din Khan in 1926, the hut was removed, and, as suggested by a special Sub-Committee appointed by the Cantonment Board for inquiry and report in the matter, the Government had decided to have the mosque land, as verified by the Sub-Committee, cleared, planted with grass, and leased to the Muslims in perpetuity without rent for religious purposes?

(c) Do Government know that the District Headquarters took possession of the land by force and included the same in the garden attached to that office giving cause for complaint to the Muslim public in respect of their religious land?

(d) Do Government know that on the representation of the Waqf Committee of Peshawar, the Government of India, Army Department, had called for a report from the General Officer Commanding-in-Chief, Northern Command, after consulting with the local civil authority, as to whether the land should be given over to that institution?

(e) If the answers to parts (a) to (d) be in the affirmative, will Government be pleased to—

(i) place on the table a copy of the report mentioned in part (d) and of the orders passed thereon by the Government; and

(ii) also state if the land had since been leased to the Committee as originally decided by Government? If not, why not?

Mr. G. M. Young: The Honourable Member's questions were fully answered by my reply to Haji Chaudhury Mohammad Ismail Khan's starred question No. 282 on the 30th January, 1929.

THE LAW OF REVISION IN THE NORTH-WEST FRONTIER PROVINCE.

518. ***Maulvi Muhammad Yakub:** (a) Will Government please state if it is a fact:

(i) that the law of revision in the North-West Frontier Province is more restricted than that in force in the High Courts;

(ii) that the North-West Frontier Province Law and Justice Regulation is now being amended;

(iii) that in the High Courts the stamp on a petition for revision is Rs. 2; and

(iv) that in the North-West Frontier Province the stamp charged on revisions is required to be *ad valorem* on the value?

(*b*) If the answers to the above are in the affirmative, will Government please state the reasons why the people of that Province should be treated differently from what is being done in other Provinces of India by charging them *ad valorem*?

The Honourable Sir James Crerar: (*a*) (i) The relevant law is contained on the one hand in section 84 of the North-West Frontier Province Law and Justice Regulation, 1901, and on the other hand in section 115 of the Code of Civil Procedure. If the Honourable Member will undertake a comparative study of these sections, he will, I think, agree that the answer to this part of his question is in the negative.

(ii) The question of revising the Regulation is under consideration.

(iii) Item 1(*d*) in Schedule II to the Court Fees Act, 1870, which the Honourable Member presumably has in mind has been amended by provincial legislation in all the major provinces except the United Provinces. The court fees now chargeable vary from province to province and in several provinces they are now chargeable at an *ad valorem* rate on the value of the suit.

(iv) Yes.

(*b*) This does not arise.

IMPROVEMENT OF THE INDUSTRIES OF THE NORTH-WEST FRONTIER PROVINCE.

519. ***Maulvi Muhammad Yakub:** (*a*) Is it a fact that the North-West Frontier Province Government some time ago obtained the services of an experienced officer of the Department of Industry of the Punjab to investigate, and submit a detailed report regarding the best means of effecting improvement of the existing local industries in the province?

(*b*) If the answer to part (*a*) be in the affirmative, will Government be pleased to state:

(i) if the report has been received, and

(ii) if so, has the same been published for the information of the Muslim public of the Province, and opinion of the Press? If not, why not?

(*c*) Will Government be pleased to state if they propose to improve the existing local industries in the North-West Frontier Province?

The Honourable Sir Bhupendra Nath Mitra:. The attention of the Honourable Member is invited to the reply given in this House on the 11th September, 1929, to a somewhat similar question (No. 420) asked by Mr. Abdul Haye. The Chief Commissioner, North-West Frontier Province, has since reported that the report prepared by the Industrial Investigator on industrial possibilities in the North-West Frontier Province is still under his consideration in consultation with various officers.

Government are fully alive to the importance of improving local industries in the North-West Frontier Province and they will be glad to give due consideration to any recommendations to this end which the Chief Commissioner may put forward.

EXAMINATION AND PAY OF CERTAIN CLASSES OF CLERKS.

520. ***Maulvi Muhammad Yakub:** Will Government please state whether:

(i) before the creation of the third division in the ministerial staff of the Government of India Secretariat, there were different test standards for the typists of the Secretariat and attached offices;

(ii) in the notification giving particulars of examinations held prior to 1923 by the Staff Selection Board, the scale of pay for the typists was shown as Rs. 100—8—300? If so, are the clerks, who passed under the conditions laid down in the Board's notification now eligible for the scale referred to?

(iii) such clerks as were fixed in the Army Headquarters have been confirmed in the second division up to the end of 1928;

(iv) such clerks of the third division have not even been allowed to sit in the recent qualifying examination owing to the educational restrictions imposed: and

(v) the routine clerks of the attached offices were allowed to sit in the examination, irrespective of their educational qualifications?

The Honourable Sir James Crerar: (i) Yes.

(ii) The reply to the first part of the question is in the affirmative. All those who were holding permanent posts in the lower division when the third division was created in June, 1924, are eligible for the scale referred to subject to the provision that they are not allowed to cross the efficiency bar unless they have proved their fitness for the performance of duties other than routine.

(iii) Yes.

(iv) Only such third division clerks in the Secretariat as had passed the Intermediate examination and were below the age of 35 years were eligible to appear for the qualifying examination held by the Public Service Commission last November.

(v) Yes, when specially recommended by the head of the office.

THE APPOINTMENT OF JOINT SECRETARY IN THE INDUSTRIES AND LABOUR DEPARTMENT.

521. ***Maulvi Muhammad Yakub:** Will Government be pleased to refer to the reply to starred question No. 248, dated the 9th September, 1929, and state:

(i) whether there was a Joint Secretary in the Industries and Labour Department when Sir Atul Chatterjee was Member-in-charge;

(ii) whether the temporary post of Joint Secretary has since been abolished;

(iii) if the reply to part (ii) above be in the negative, whether the temporary post of Joint Secretary has been extended with a view to assist the present Member-in-charge of the Industries and Labour Department till the term of his office expires; and

(iv) whether there is *any* proposal before Government to abolish the post of Joint Secretary and to make provision for Mr. T. Ryan in the Posts and Telegraph Department after the present Member-in-charge of the Industries and Labour Department vacates his office, and if so, what post will he hold there?

The Honourable Sir Bhupendra Nath Mitra: (i) and (ii). The replies are in the negative.

(iii) No. The post of Joint Secretary was sanctioned as a temporary measure for a period of three years from the 1st April, 1928, which has not yet expired.

(iv) No such proposal is before Government.

CONCESSIONS UNDER THE SIMLA ALLOWANCES CODE.

522. ***Maulvi Muhammad Yakub:** Will Government be pleased to refer to the reply to starred question No. 245, dated the 9th September, 1929, and state whether the ministerial staff of the offices referred to at (1) to (4) of the reply are in receipt of *all* the concessions of the Simla Allowances Code which are admissible to the ministerial staff of the office mentioned at (5)? If not why not? Will Government kindly state why such offices have been treated like the Wireless Branch and state reasons for such treatment?

The Honourable Sir Bhupendra Nath Mitra: The information is being collected and will be supplied to the Honourable Member in due course.

Mr. Lalchand Navalrai: Will the Honourable the Home Member kindly state whether, whenever any information is promised to be given to the Members, such information will always be placed on the table of the House, since, if it is not placed on the table of the House it is not printed in the debates and the attention of the Members of the House is not called to such information?

The Honourable Sir James Crerar: This question is rather frequently asked. Whether or not the information will be placed on the table of the House depends a great deal both on its volume and the contents. I cannot possibly undertake that, in all cases, information which is of an extremely bulky character will be laid on the table of the House, as it would involve very heavy printing expenditure and the inclusion of matter which may not be of permanent value in the records of the House.

Mr. Lalchand Navalrai: But it may be done when it is not very lengthy?

The Honourable Sir James Crerar: As I say, that is a matter for consideration on the merits of each particular case.

PAY OF LADY CLERKS IN THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

523. ***Maulvi Muhammad Yakub:** Will Government be pleased to refer to parts (*a*) and (*d*) of starred question No. 134 answered on the 4th September, 1929, and starred question No. 341, answered on the 10th September, 1929, and state:

(*a*) Whether in the office of the Director General, Posts and Telegraph a lady clerk in the grade of Rs. 55—155 can reach the maximum of the grade within seven years and has to cross no efficiency bar, whereas, on the other hand, a male clerk will have to linger for at least 20 years, provided he is favoured to cross two efficiency bars at the stages of Rs. 80 and Rs. 115? If so, will Government be pleased to state the reasons for this difference?

(*b*) Whether the pay of lady typists and stenographers in that office is consolidated? If so, why their Simla local allowance, etc., is not stopped? Is it a fact that no allowance for such employees is at all admissible under the Simla Allowances Code quoted?

(*c*) Is it a fact that the pay of these lady employees is graded pay in the scales of Rs. 55—155 and 100—300, respectively, but that they are immediately brought to the Rs. 120 point? If so, why are their annual increments not withheld till they reach the point of Rs. 120 after 13 years and 4 years, respectively, by absorbing their annual increments?

The Honourable Sir Bhupendra Nath Mitra: (*a*) The reply to the first part is in the affirmative. As regards the second part, a higher minimum pay has been fixed by the Government of India for women clerks in the Director General's office with reference to the special economics conditions of this class of labour.

(*b*) The reply to the first part is in the negative and the second part does not arise. The reply to the last part is in the negative.

(*c*) The Honourable Member is referred to the reply already given to part (*a*) of this question.

I may, however, add that the question of the remuneration of lady clerks in the office of the Director General of Posts and Telegraphs will be further examined by Government.

LACK OF ACCOMMODATION FOR A LADY TYPIST IN NEW DELHI.

524. ***Maulvi Muhammad Yakub:** Will Government be pleased to refer to starred question No. 255, answered on the 9th September, 1929, and state how and why it was considered that it would be easier for a male clerk than for a lady typist to find accommodation in New Delhi?

Mr. H. A. Sams: A man can usually more easily find accommodation in a Mess or with friends than a woman can.

EXPENDITURE FOR THE MIGRATION TO DELHI OF A PORTION OF THE WIRELESS BRANCH OF THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

525. ***Maulvi Muhammad Yakub:** (*a*) Will Government be pleased to refer to answers to paragraphs (*b*) to (*d*) of starred question No. 251, dated the 9th September, 1929, and state:

(i) how Government arrived at the decision of quoting the *additional* expenditure of Rs. 2,100 for the migration of the *remaining* staff of the Wireless Branch, and

(ii) why the additional expenditure will not be either *nil* or a nominal sum of Rs. 100, at the most, if the remaining staff of the Wireless Branch also migrates to Delhi?

(*b*) Will Government be pleased to look at the following calculations carefully and state whether they are correct, and if so, whether the amount shown at (*a*) (i) above is correctly quoted?—

(*i*) *Expenditure.*

	Rs.
On account of railway fares, etc., from and to Simla for two officers	750
On account of railway fares, etc., from and to Simla for nine clerks	1,450
On account of railway fares, etc., from and to Simla for six peons	150
On account of cooly hire for carriage of records containing at the most 200 bags to Simla and Delhi Post Offices only	50
On account of carriage of records which are carried on Postal Service in the Postal Mail Van	*Nil*
Total	2,400

(*ii*) *Savings.*

	Rs.
On account of travelling allowance and halting, etc., for one officer who is usually required to go to Delhi at least twice during each winter	250
On account of Winter Allowance of Wireless Branch staff for five months	1,800
On account of coal and electric consumption, etc., for five months	150
On account of pay of sweeper for five months, because an entirely separate sweeper will not be required at Delhi for Wireless Branch	100
Total	2,300

The Honourable Sir Bhupendra Nath Mitra: (*a*) and (*b*). I am unable to trace now the precise details of the figure of Rs. 2,100 previously given to the Honourable Member, but it seems to have been a gross figure corresponding to the Honourable Member's figure of 2,400.

The Honourable Member's calculation appears to be approximately correct, so far as it goes, but it takes no account of the cost of office accommodation in New Delhi debitable to the Posts and Telegraphs Department. The Wireless Branch is located in Simla in the Telegraph Office which is a building of the Department and for which the Department as a whole has not to pay rent though inter-branch adjustments are made in the accounts. If the Wireless Branch is stationed at Delhi for the whole year or a part of the year, it will have to be located in a building other than that of the Posts and Telegraphs Department and the Department will have to pay rent for the accommodation which is calculated to amount to above Rs. 4,500 a year.

DUTIES IN DELHI OF THE SUPERINTENDENT OF THE WIRELESS OFFICE.

526. ***Maulvi Muhammad Yakub:** Will Government be pleased to refer to the reply to starred question No. 247, dated the 9th September, 1929, and state:

(i) what are the details of daily duties performed by the Superintendent, Wireless Branch, during winter months while in Delhi;

(ii) what are the details of daily duties of *special nature* performed by the Superintendent, Wireless Branch, in Delhi, during the absence of Director of Wireless on tour;

(iii) whether the Superintendent, Wireless Branch, while in Delhi *ever* deals with any files of the branch which are of a technical nature and submits draft letters or notes, etc., if so, the number thereof per day;

(iv) whether the Director-General has decided on the retention of non-Anglo-Indian Superintendents only at the headquarters of the branches concerned; and

(v) whether the Superintendent, Wireless Branch, is exempted in any way from the operation of the Director-General's orders referred to at (iv) above, only because this Superintendent is an Anglo-Indian?

Mr. H. A. Sams: (1) The Superintendent scrutinises all cases before they are submitted to the head of the branch. He notes on certain cases, and checks the correctness and completeness of references, supplements the notes and amends drafts, etc., in others, as may be necessary. He also arranges for the disposal of all correspondence for and from the head of the branch and sees to the proper disposal of work sent out by him.

(2) In the absence of the Director Wireless on tour the Superintendent in addition to carrying out the foregoing duties, in correspondence with the Director, deals as far as possible in cases of non-technical matters or, at his discretion submits these for orders to such other officers of the Directorate as can best deal with them. He also furnishes other officers in Delhi with such information and assistance relating to the affairs of the Wireless Branch as may be available and is required by them.

(3) The Superintendent handles both technical and non-technical cases as explained in reply to (1) dealing with an average of about 12 to 14 files daily. The files connected even with technical matters require attention from a non-technical point of view as regards referencing, recording and other detail of office procedure.

(4) No.

(5) Does not arise.

LOCATION OF THE WIRELESS OFFICE.

527. ***Maulvi Muhammad Yakub:** Will Government be pleased to refer to the replies to starred question No. 481, dated the 19th March, 1928, unstarred question No. 439, dated the 21st March, 1928, starred questions Nos. 226 and 227, dated the 8th September, 1928, and Nos. 243, 244, 246, and 251, dated the 9th September, 1929, and state:

(i) in detail the intention of Government about (1) the transfer of the headquarters of the Wireless Branch, from Simla to Delhi, (2) the migration of the Wireless Branch, and (3) the location of the Wireless Branch in "Kennedy House" so long as the Branch is required to remain in Simla either in its entirety or as a camp office?

(ii) whether any decision in the matter referred to at (*e*) of answer to question No. 439, quoted above has since been arrived at? If not, how long it will take more?

(iii) whether any decision on the modification to give effect to the Wireless Branch also as referred to at (*e*) of answer to question No. 243, quoted above, has since been arrived at? If not, how long it will take more?

(iv) what was the decision arrived at on the question of accommodating the Wireless Branch in "Kennedy House" referred to at (*a*) of answer to question No. 251 quoted above?

(v) in 1929, before surrendering several rooms in "Kennedy House" whether the Director General (keeping in view the question of location of the Wireless Branch in that building) considered the question of shifting the Wireless Branch from the Central Telegraph Office building to "Kennedy House"? If so, what was the decision? If not, why not, and why was the question overlooked?

(vi) whether the Estate Officer, New Delhi, has ever been asked for the provision of office and residential accommodation for the Wireless Branch and its small staff at New Delhi? If so, when and what reply was received from that officer? If not, why not?

The Honourable Sir Bhupendra Nath Mitra: (i), (ii) and (iii). The question of the location of the headquarters of the Wireless Branch is at present under consideration and it is expected that a final decision in the matter will be reached shortly. As already explained in my reply to the Honourable Member's starred question No. 525, the Branch is at present located in Simla in a building of the Posts and Telegraphs Department and this arrangement is economical to the Department as a whole.

(iv) For reasons already referred to the decision taken at the time was that no change should be made in the arrangements in regard to the Wireless Branch.

(v) The matter had not been overlooked; it was however considered desirable for reasons already given not to alter the existing arrangements of the Branch.

(vi) No, as the question of bringing the Wireless Branch down to New Delhi or otherwise has not yet been finally settled.

PAY AND DUTIES OF CLERKS IN THE SECRETARIAT AND IN THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

528. ***Maulvi Muhammad Yakub:** Will Government be pleased to refer to the starred question No. 165, answered on the 5th September, 1929, and state, in detail, the difference in the duties and pay between each class of assistants and clerks (including routine clerks) in the Secretariat proper and the office of the Director General, Posts and Telegraphs?

The Honourable Sir Bhupendra Nath Mitra: The scales of pay for assistants and clerks in the Government of India Secretariat and in the office of the Director General, Posts and Telegraphs compare as follows:—

(*a*) In the Secretariat there are in the First Division two time-scales, the upper being Rs. 375—25—500 and the lower Rs. 200—15—500. In the Second Division the scale is Rs. 100—8—300 with a special grade (for 10 per cent. of the permanent staff in the division) rising to Rs. 350. There is a Third Division of routine clerks and typists on Rs. 90—4—170.

(*b*) In the Office of the Director General, Posts and Telegraphs, the divisions are at present an upper one on Rs. 100—6—160—10—300 and a lower one on Rs. 55—5—155, and there are two head clerks on Rs. 160—10—200.

Subject to the provision of funds, it is however intended that from the 1st April, 1930, the scales for the Director General's office should be those usual in Attached Offices of the Government of India, being for Assistants Rs. 120—8—160—10—350 and for Clerks Rs. 75—4—115—5—155 with two head clerks on Rs. 160—5—175.

There are of course also Superintendents, stenographers, etc., both in the Secretariat and the Directorate but as regards these, I observe, the Honourable Member does not require information.

The Honourable Member will observe that the classes are not organised in precisely the same way in the Secretariat and in the Directorate. In any case it would be impossible to compare the duties of the several classes in the detail desired by the Honourable Member since the distinction is, as already indicated in the Honourable Sir James Crerar's reply on the 5th September, 1929, a difference of standard or quality of work. The Honourable Member will realise that generally speaking more important and more complicated questions connected with the higher administrative duties of Government have to be dealt with in the Secretariat than those handled in an attached office or subordinate department, and that a higher class of ministerial assistance is required.

The fact that the standards of qualification in the Secretariat and in the Attached Offices are different and that there could be no question of equalisation of pay was recognized by the Llewellyn Smith Committee on Secretariat procedure.

CONCESSIONS TO CLERKS FOR FEMALE DEPENDANTS TRAVELLING WITH THEM.

529. ***Maulvi Muhammad Yakub:** Will Government be pleased to refer to the starred question No. 397 answered on the 11th September, 1929, and state what reasonable objections (keeping in view the strict consideration of sex only) Government may have in extending the concession in question towards the *female* dependants accompanying clerks on move or transfer in receipt of pay less than Rs. 200 per mensem?

The Honourable Sir James Crerar: Dependants of Government servants derive their right to travelling facilities from officers on whom they are dependent, and Government could not contemplate giving them privileges to which the officers on whom they are dependent are not themselves entitled.

RAILWAY ACCOUNTS EXAMINATIONS.

530. ***Maulvi Muhammad Yakub:** (*a*) Is it a fact that, in the case of the Subordinate Accounts Service examination held under the control of the Financial Commissioner, Railways, the passing marks are much higher than those of the Subordinate Accounts Service examinations held by the Auditor General, Director of Railway Audit and Military Accounts Departments? If so, why?

(*b*) Is it a fact that the scale of pay of the railway service is less? If so, why?

(*c*) If the answers to parts (*a*) and (*b*) be in the affirmative, what immediate steps do Government propose to take to remove these anomalies?

Mr. A. A. L. Parsons: (*a*) Yes. Because the syllabuses are entirely different, the examination for the Railway Subordinate Accounts Service being designed to meet the requirements of Accounts after its separation from audit. The Railway Accounts Examination requires a more intensive study over a smaller field. The rules for the examination were approved by the Standing Finance Committee for Railways.

(*b*) For some grades in the Railway Subordinate Accounts Service the scale of pay is lower and for some it is higher. The organisation and conditions of service are different in the several departments.

(*c*) In view of the answer to questions (*a*) and (*b*), this question does not arise.

TEST ROOMS IN TELEGRAPH OFFICES.

531. ***Maulvi Muhammad Yakub:** (*a*) Will Government be pleased to state whether it is a fact that "test rooms" have been introduced in certain telegraph offices in India, and if so, where and when?

(*b*) What is the individual cost per each such test room installed?

(*c*) Do the introduction of test rooms involve extra cost of maintenance, if so, how and how much in each case?

(*d*) How does the additional cost compare in each such case above, with and without the test room?

(*e*) What is a test room actually? Is it correct to presume, that it indicates really the test or research bureau of a telegraph office in the technological sense?

(*f*) Has the test room been stabilized or standardised in the department as yet and its construction undertaken by the departmental works at Calcutta, or entrusted entirely to an expert, and if so, who may he be?

The Honourable Sir Bhupendra Nath Mitra: (*a*) Yes. A test room was installed in the Central Telegraph Office, New Delhi, when that office was being fitted for the first time in 1925. A similar test room is now being installed in the Agra Central Telegraph Office.

(*b*) No additional cost on account of a test room is incurred when a new telegraph office is being first fitted. In the case of the Agra Central Telegraph Office the estimated cost of the work is Rs. 47,940, but this represents largely cost of additional apparatus, like repeater sets, etc., for the more efficient disposal of traffic which, I understand, would have been required in any case later on.

(*c*) No.

(*d*) Does not arise.

(*e*) The term 'Test Room' means that the complicated technical apparatus instead of being spread out on individual tables in the instrument room of a telegraph office is centralised in a separate room and is solely under the supervision of the technical staff. It is not in the nature of a "Test or Research Bureau" of a telegraph office.

(*f*) The question of standardising the test room system will be examined after experience has been gained of its working in the Delhi and Agra offices.

The departmental works at Calcutta provide the required apparatus which is fitted up locally by the technical staff.

Mr. M. S. Aney: Why is it called the "test room" in view of the definition which the Honourable Member has given?

The Honourable Sir Bhupendra Nath Mitra: That is the name given to it by the technical officers, probably because they test the apparatus from there.

APPOINTMENT OF MEMBERS OF MINORITY COMMUNITIES IN RAILWAY AUDIT OFFICES.

532. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) Is it a fact that, out of 871 subordinate staff employed in the various Government Audit Offices on Railways and in the office of the Director of Railway Audit on the 31st December, 1929, 797 are Hindus, 42 Muhammadans, 11 Anglo-Indians, 9 Sikhs, 8 Indian Christians and 4 of other communities?

(*b*) Will Government be pleased to state what steps the Accountant General, Railways, now the Director of Railway Audit, has taken to recruit the members of minority communities as per instructions of the Government of India promulgated in their Home Department letter No. F.-176/25-Est., dated the 5th February, 1926, and as per instructions issued by the Auditor General in his letter No. 652-NGE/94-E.-28, dated the 25th April, 1928?

(*c*) Will Government be pleased to state if preference is given to the members of minority communities in making appointments of accountants, senior accountants and Assistant Audit Officers out of qualified persons available? If not, why not?

(*d*) Will Government be pleased to state how many persons of minority communities have been confirmed as accountants and senior accountants in preference to others in railway audit offices since 1926? If the answer be in the negative, will Government please state reasons for the Government of India's orders not having been followed in railway audit offices?

(*e*) Will Government be pleased to state how it is proposed to fill up the newly created posts of two Assistant Audit Officers, eight senior accountants, 15 accountants and 63 clerks recently sanctioned in connection with the "extended audit scheme" on Company railways? Will an opportunity be taken to recruit the members of minority communities to increase their percentage representation in railway audit offices? Is it a fact that such percentage at present is 4·87 Muslims, 1·3 per cent. Anglo-Indians, 1 per cent. Sikhs, 0·9 per cent. Christians, and 0·9 other communities, against 91·5 per cent. Hindus.

(*f*) Will Government be pleased to state how many senior accountants, accountants and clerks qualified as accountants, belonging to the minority communities are employed in the office of the Director of Railway Audit and in the offices subordinate to him and how many of these will be able to get a lift as a matter of course due to their position on

seniority lists, and how many out of turn in view of communal representation, against the posts of two Assistant Audit Officers, eight senior accountants, and 15 accountants recently sanctioned by the Government of India in connection with the "extended audit scheme"?

The Honourable Sir George Schuster: (*a*) The figures mentioned by the Honourable Member are approximately correct.

(*b*) Recruitment to clerical grades is made by the heads of the various Railway Audit Offices themselves, who have strict instructions to follow the orders of the Government of India referred to by the Honourable Member. The position in respect of the recruitment of candidates during each calendar year is also reviewed annually both by the Director of Railway Audit and by the Auditor General.

(*c*) Appointments of senior accountants and Assistant Audit Officers are made by promotion on grounds of seniority and merit from the ranks of accountants and senior accountants, respectively; and no preference is given to the members of any community in respect of such appointments. Appointments to the rank of accountants are made partly by direct recruitment as probationary accountants and partly by promotion of qualified clerks who are already in service, and the orders of the Government of India are always borne in mind when appointing direct recruits.

(*d*) In view of the answer I have just given to paragraph (*c*), the question of preference can arise only in respect of direct appointments as probationary accountants. Only 4 such appointments have been made since 1926. Two out of the 4 recruits were members of minority communities appointed on the results of a competitive examination. The question of preference has, therefore, not arisen so far.

(*e*) The answer to the first question is that the matter is still under consideration, but it is unlikely that the number of new appointments otherwise than by examination will be large. The answer to the second question is that the percentages are likely to be increased, inasmuch as, in making all new appointments, the orders of the Government of India in respect of recruitment of minority communities will be fully borne in mind. The percentages mentioned in the third part of this question are approximately correct.

(*f*) The numbers of senior accountants, accountants and clerks qualified as accountants belonging to the minority communities and borne on establishments under the control of the Director of Railway Audit are 6, 12 and 5, respectively. In view of the position explained in the answers to questions (*c*) and (*e*), it is not possible at present to give any reply to the second part of this question.

APPOINTMENT OF INDIANS AS DIPLOMATIC REPRESENTATIVES.

533. ***Mr. Gaya Prasad Singh:** (*a*) Will Government be pleased to state if Indians are eligible for appointment as diplomatic representatives in any Asiatic country, or elsewhere?

(*b*) Is it a fact that rules and regulations in this connection prescribe that candidates for the Diplomatic Service "must be natural-born British subjects, and born within the United Kingdom, or in one of the self-governing Dominions, of parents also born within those territories"? If so, how are Indians excluded from holding such appointments?

(*c*) Will Government be pleased to state how many diplomatic representatives are at present employed, whose salaries or other expenditure fall on Indian revenues? What is the approximate annual expenditure out of Indian revenues in connection with such appointments, and in what countries are they appointed?

Mr. E. B. Howell: (*a*) and (*b*). Indians are not eligible for employment in His Majesty's Diplomatic Service in virtue of the rule quoted by the Honourable Member.

(*c*) The whole cost of the diplomatic representative in Afghanistan and half the cost of the diplomatic representative in Persia are borne from Indian revenues. A lump sum contribution is paid from Indian revenues towards the cost of diplomatic and Consular representation in China, and of certain Consulates in Siam.

The exact figures are being ascertained and will be communicated to the Honourable Member in due course.

Mr. Gaya Prasad Singh: Are Government aware, that, in the House of Commons, replying to a question of Major Graham Pole, Mr. Arthur Henderson said that the regulations prescribe that candidates for the Diplomatic Service must be natural-born British subjects and born within the United Kingdom, or in one of the self-governing Dominions, of parents also born within those territories? I have got this from a copy of the *Amrita Bazar Patrika* dated the 23rd February, 1930, in my hand.

Mr. E. B. Howell: Sir, that is the same wording as the regulation quoted in the question of the Honourable Member.

Mr. Gaya Prasad Singh: But you said Indians are eligible.

Mr. E. B. Howell: I said they were not.

Mr. Gaya Prasad Singh: I am sorry, I could not hear you properly.

Sir Hari Singh Gour: Will the Government be pleased to state why Indians are not eligible for the Diplomatic Service?

Mr. E. B. Howell: I have no information, Sir, except the rule which has just been quoted.

Sir Hari Singh Gour: When was that rule made?

Mr. E. B. Howell: It is an old rule; I cannot tell you exactly when it was made.

Sir Hari Singh Gour: Have the Government considered the advisability of altering the rule or amending it so as to remove this racial discrimination against Indians?

Mr. E. B. Howell: Might I ask for notice of that question?

Sir Hari Singh Gour: Would the Honourable Member take this question as notice and see that the injustice is redressed as early as possible?

Mr. Arthur Moore: Is it not a fact that, under the operation of the rule, if India became a self-governing Dominion, Indians would automatically become eligible for such posts?

Mr. E. B. Howell: That would appear to follow, Sir.

Sir Hari Singh Gour: The Honourable Member has not replied to my question.

Mr. E. B. Howell: I do not think a matter of ten days will make any great difference.

Pandit Hirday Nath Kunzru: Have the Government of India made any representations to His Majesty's Government on the subject?

Mr. E. B. Howell: I require notice of that question too.

Mr. M. S. Aney: Have the Government of India ever thought that this meant any injustice to Indians?

Mr. E. B. Howell: What the Government of India think is a matter of opinion.

CONTRIBUTIONS MADE BY INDIA FOR RECRUITMENT AND TRAINING OF ROYAL AIR FORCE UNITS.

534. ***Mr. Gaya Prasad Singh:** Will Government be pleased to state the total amounts contributed by the Government of India every year during the last five years to the Air Ministry on account of recruitment and training of personnel of the Royal Air Force, including transport charges, and direct expenditure on pay and maintenance of the Royal Air Force units in India?

Mr. G. M. Young: A statement giving the information is laid on the table.

Statement laid on the table with reference to starred question No. 534.

Year.	Total cost of R. A. F. to Indian Revenues.	Payment to Air Ministry in respect of recruitment and training.	Cost of sea transport.	Charges other than (3) and (4) including, pay and maintenance *i.e.*, column (2) *minus* columns (3) and (4).
1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
1925-26	1,87,29,000	10,00,000	1,60,000	1,75,69,000
1926-27	1,79,02,000	10,00,000	2,50,000	1,66,52,000
1927-28	1,85,15,000	10,00,000	2,50,000	1,72,65,000
1928-29	2,26,50,000	13,33,000	4,66,660	2,08,50,340
1929-30	2,38,00,000	14,40,000	3,67,000	2,19,93,000

CONVEYANCE OF MAILS IN CALCUTTA BY GARAGE (CALCUTTA) LTD.

535. ***Mr. S. C. Mitra:** (*a*) With reference to paragraph 16 of the agreement between the Garage (Calcutta) Ltd., Calcutta and the Director General of Posts and Telegraphs, for the conveyance of mails of the Calcutta General Post Office and the town sub-offices by motor cars, will Government be pleased to state whether any record is kept of the failure on the part of the Company in conveying any mail bag or postal articles in time?

(*b*) Is it a fact that, during the year 1929, sectional mails had to be detained on many occasions for the failure of the Company to take mail or parcel bags to the railway stations?

(*c*) Have Government inquired from the Eastern Bengal Railway, Bengal Nagpur Railway and East Indian Railway authorities, on how many days the mail trains had to be detained due to the failure on the part of the said Company to convey the mails in time?

(*d*) Will Government be pleased to state how many reports were received by the Postmaster General, Bengal and Assam Circle, about the failure of the Company to convey mails, etc., in time or for breakdown for other causes? If so, what action was taken by the Postmaster General? If not, why not?

Mr. H. A. Sams: (*a*) The answer to the Honourable Member's enquiry is in the affirmative.

(*b*) and (*c*). No. Only on two occasions during the last ten months have detentions of a few minutes only taken place.

(*d*) Reports of the breakdowns mentioned in the reply to part (*b*) of this question were received by the Postmaster-General. No action was taken against the contractors owing to the very short duration of the detention. Breakdowns of an unimportant nature come under the notice of the Presidency Postmaster, Calcutta, who takes such action as the occasion demands.

APPOINTMENT OF TOWN INSPECTORS OF POST OFFICES IN CALCUTTA.

536. ***Mr. S. C. Mitra:** (*a*) Is it a fact that five officials of the moffussil, who passed the Inspectorship examination, were appointed as Town Inspectors of Calcutta and afterwards absorbed in the lowest selection grade posts of Calcutta to make room for old Town Inspectors?

(*b*) Is it a fact that the above selection grade appointments were reserved for the officials of the Calcutta General Post Office and the vacancies in that grade should therefore have been filled up by the senior clerks of the Calcutta General Post Office?

(*c*) Is it a fact that, as a result of the representation of the Union, one of the five imported passed Inspectors was retransferred to the moffussil?

(*d*) If the reply to part (*c*) be in the affirmative, will Government be pleased to state why the other four imported men have not yet been transferred from Calcutta, so as not to block the promotion of senior men?

(*e*) Will Government be pleased to state, how many vacancies there were in the Bengal and Assam Circle, in the line of Inspectors and Head Clerks to Superintendents during the year 1929-30, and give an idea when these four men will be transferred to the moffussil?

The Honourable Sir Bhupendra Nath Mitra: The information is being collected and will be supplied to the Honourable Member in due course.

APPOINTMENTS IN THE POSTAL DEPARTMENT IN CALCUTTA.

537. ***Mr. S. C. Mitra:** (*a*) Is it a fact that in spite of several vacancies existing in the lowest selection grade posts in Calcutta, they have not been filled up by the Postmaster General Bengal and Assam Circle?

(*b*) If the reply to part (*a*) be in the affirmative, will Government be pleased to state why these appointments have not been filled up?

(*c*) Is it a fact that the Postmaster General has not filled up all vacancies and that he intends to fill up one vacancy of Supervisor of Accounts Department of the Calcutta General Post Office by a man who passed the accountants' examination?

The Honourable Sir Bhupendra Nath Mitra: (*a*) No. The vacancies have been filled temporarily pending the publication of the results of the selection grade examination held in December last.

(*b*) Does not arise.

(*c*) As regards the first part, it will be seen from the reply to part (*a*) of the question that the reply is in the negative. As regards the second part, the Postmaster-General has recently filled the post of Supervisor of the Accounts Department of the Calcutta General Post Office, the designation of which post has now been changed to "Assistant Accountant", provisionally by an official who has passed the Accountants' examination.

APPOINTMENT OF AN ACCOUNTANT IN THE CALCUTTA GENERAL POST OFFICE.

538. ***Mr. S. C. Mitra:** (*a*) Is it a fact that Mr. J. N. Gupta, Investigating Inspector of the office of the Postmaster-General, Bengal and Assam Circle, was appointed as Accountant, Calcutta General Post Office, in the grade of Rs. 250—350 in October, 1928, superseding the claims of about 199 officials in the grade of Rs. 160—250 who were senior to him?

(*b*) Is it a fact, that after representation from the Union, his appointment order has been cancelled, but that he has been allowed to act in that appointment provisionally?

(*c*) If so, will Government be pleased to state why such special favour has been shown to Mr. Gupta? Is there no senior official in the Calcutta General Post Office who can work as an accountant there?

The Honourable Sir Bhupendra Nath Mitra: (*a*) Yes, Mr. Gupta was appointed by superseding the claims of 192 not 199 officials.

(*b*) Yes, but he has been promoted to the post provisionally so long as he works in and is considered suitable for the appointment.

(*c*) Mr. Gupta was promoted by the Postmaster General, Bengal and Assam Circle, in 1928 in consideration of his special qualifications. On a representation being made by the men who had been superseded, the Postmaster-General's order was modified by the Director-General to the extent that Mr. Gupta's promotion to the post should be provisional, that he should be made permanent in the grade of Rs. 250—20—350 when his turn comes in the ordinary course and that his seniors in the grade of Rs. 160—10—250 will, on promotion to the grade of Rs. 250—20—350, be placed above him.

GRATUITIES PAID FROM THE INTEREST OF THE POSTAL GUARANTEE FUND.

539. ***Mr. S. C. Mitra:** (*a*) With reference to the reply to Rai Sahib Harbilas Sarda's starred question No. 607 of the 17th September, 1929, in the Legislative Assembly, will Government be pleased to state why, out of the interest of the guarantee fund, which was built up solely by the contributions of the postal employees, compassionate gratuity was paid to employees other than those of the Postal Department?

(*b*) Will Government be pleased to state how many applications praying for compassionate gratuity were received by the Director General of Posts and Telegraphs during the period from (i) families of the postal employees (ii) other employees and how many of (i) and (ii) were granted compassionate gratuity?

The Honourable Sir Bhupendra Nath Mitra: (*a*) The Honourable Member's attention is drawn to the reply given by the Honourable Mr. A. C. McWatters on the 4th September, 1928, in the Legislative Assembly to unstarred question No. 45 by Khan Bahadur Sarfaraz Hussain Khan, and also to the reply given by the Honourable Sir B. N. Mitra on the 17th February, 1930, to starred question No. 353 by Mr. M. Anwar-ul-Azim. Compassionate gratuity is no longer paid out of the interest of the Guarantee Fund. This Fund was abolished with effect from 1st April, 1926, and the balance at its credit was credited in the accounts of the Posts and Telegraphs Department. Since the year 1926-27 a sum of Rs. 20,000 is being provided annually in the budget of the Department for the payment of compassionate gratuity to the dependents of its employees (both Postal and Telegraph), who are left in indigent circumstances. This amount includes a sum of Rs. 18,000 which is approximately equal to the average annual payments of compassionate gratuities to dependents of Postal employees during the last few years of the Post Office Guarantee Fund's existence and a sum of Rs. 2,000 which was formerly provided every year in the budget for gratuities to Telegraph employees or their dependents.

(*b*) The number of applications received from the beginning of 1926-27, to the end of 1928-29 from families of (*i*) Postal employees, (ii) other employees, was 790 and 152 respectively, and the number of cases in which compassionate gratuity was granted was 301 and 37 respectively.

TRANSFER OF POSTMASTERS.

540. ***Mr. S. C. Mitra:** (*a*) Is it a fact that the gazetted Postmasters drawing a pay of Rs. 350 per mensem and upwards and the Superintendents of Post Offices and R. M. S. and Assistant Postmasters General, have got the same administrative powers?

(*b*) Is it a fact that the Superintendents and Assistant Postmasters-General but not the gazetted Postmasters are transferred after every three years?

(*c*) If so, will Government be pleased to state why these gazetted Postmasters or gazetted Deputy Postmasters are not transferred after every three years?

Mr. H. A. Sams: (*a*) The administrative powers of Superintendents of post offices and gazetted Postmasters in charge of first class head offices are almost the same in their respective jurisdictions. Assistant Postmasters-General do not exercise any independent administrative powers.

(*b*) Superintendents are ordinarily transferred every 3 years and Assistant Postmasters-General every 5 years. No period has been fixed for the transfer of gazetted Postmasters.

(*c*) The exercise of administrative control has no connection with the periodical transfers of Superintendents and Assistant Postmasters General. There is, therefore, no question of transferring gazetted Postmasters and Deputy Postmasters on the analogy of Superintendents of post offices.

ACCOMMODATION FOR INDIAN APPRENTICES AT THE KHARAGPUR RAILWAY WORKSHOPS.

541. *Mr. S. C. Mitra: (*a*) With reference to their answer to my starred question in the Legislative Assembly No. 491 (*a*) and (*b*), dated the 16th September, 1929, will Government please state how the question of accommodating the Indian apprentices in the existing hostel for European and Anglo-Indian apprentices in the Bengal Nagpur Railway Workshops at Kharagpur now stands, and when the decision is expected?

(*b*) Are Government aware that the Indian apprentices of the Kharagpur Railway Workshops have been without accommodation ever since the system of apprenticeship training for Indians was introduced by the Railway?

(*c*) Are Government prepared to instruct the Railway to expedite their consideration of this point in particular? If not, why not?

Mr. A. A. L. Parsons: With your permission, Sir, I propose to answer questions Nos. 541, 542 and 546 together. A Report on the matters referred to has been called for from the Agent, Bengal Nagpur Railway and I will send the Honourable Member a reply to his enquiries when it is received.

TRAINING OF INDIAN AND ANGLO-INDIAN AND EUROPEAN APPRENTICES AT THE KHARAGPUR RAILWAY WORKSHOP.

†542. ***Mr. S. C. Mitra:** With reference to their answers to my starred questions in the Legislative Assembly, Nos. 494, 496 (*a*) and 863 (*a*) and (*b*), dated the 16th and 25th September, 1929, respectively, will Government be pleased to state how the proposal for removing all distinctions in theoretical training of the Indian Grade "A" apprentices in the Bengal Nagpur Railway Workshops at Kharagpur, in order to bring them to the level of the training for all purposes with that given to the Anglo-Indian and European apprentices there, now stands, and when the decisions are expected?

INCREMENTS OF PAY OF APPRENTICES AT THE KHARAGPUR WORKSHOPS.

543. *Mr. S. C. Mitra: With reference to the Government's answer to my starred question in the Legislative Assembly No. 493, dated the 16th September, 1929, regarding increments to count for *entire* probationary

†For answer to this question, *see* answer to question No. 541.

period of services of apprentices in the Bengal Nagpur Railway Workshops at Kharagpur, will Government be pleased to reconsider the question once again and give the proper and requisite answer? If not, why not?

Mr. A. A. L. Parsons: I presume that the Honourable Member wishes to know how the period of probation in excess of 6 months which might have been allowed in particular cases has been treated for purposes of reckoning increments.

I have called for a full report from the Agent, Bengal Nagpur Railway on this point and will communicate with the Honourable Member when it is received.

RACIAL DISCRIMINATION IN GRANT OF PROVIDENT FUND TO APPRENTICES OF THE KHARAGPUR WORKSHOPS.

544. *Mr. S. C. Mitra: Is it a fact that the European and Anglo-Indian apprentices of the Kharagpur Railway Workshops are eligible, on their confirmation, to join the Railway Provident Fund of the Bengal Nagpur Railway, but that the Indian "A" Grade apprentices are not allowed to do so? If so, will Government be pleased to state what are the reasons of this discrimination?

Mr. A. A. L. Parsons: I am obtaining the required information from the Bengal Nagpur Railway and shall communicate later with the Honourable Member.

GRANT OF A GOOD CONDUCT BONUS TO ANGLO-INDIAN AND EUROPEAN APPRENTICES AT KHARAGPUR.

545. ***Mr. S. C. Mitra:** Is it a fact that, under the rules, a good conduct bonus of Rs. 200, with a further sum of Rs. 100 to their credit in the Provident Fund, is given to the Anglo-Indian and European apprentices in the Bengal Nagpur Railway Workshops at Kharagpur, on satisfactory completion of their terms of apprenticeship? If so, will Government please state whether this concession is also allowed to the Indian "A" Grade apprentices there? If not, why not?

Mr. A. A. L. Parsons: I am obtaining the required information from the Bengal Nagpur Railway and shall communicate later with the Honourable Member.

PROBATIONARY PERIOD FOR INDIAN AND ANGLO-INDIAN AND EUROPEAN APPRENTICES AT KHARAGPUR.

†546. ***Mr. S. C. Mitra:** Is it a fact that, under the rules for recruitment of apprentices in the Kharagpur Railway Workshops, the probationary period of the Indian "A" Grade apprentices has been fixed as six months and in the case of the Anglo-Indian and European apprentices, it is three months? If so, will Government please state the reasons for this differential treatment?

†For answer to this question, *see* answer to question No. 541.

ACADEMIC QUALIFICATIONS OF SUPERINTENDENTS AND ASSISTANT SUPERINTENDENTS OF THE ARCHÆOLOGICAL SURVEY OF INDIA.

547. **Sheikh Mushir Husain Kidwai:** (*a*) Will the Government of India be pleased to state what academic qualifications are considered necessary for the appointments of Superintendents and Assistant Superintendents of the Archæological Survey of India?

(*b*) Is it a fact that, as in other scientific departments of the Government of India, a high technical knowledge of archæology or any of the branches of study comprising the subject is not considered essential for admission to gazetted posts in this Department?

(*c*) Are Government aware that the standards of scholarship and learning have lamentably deteriorated of late owing to the appointment of persons not properly qualified?

Sir Frank Noyce: (*a*) I would invite the Honourable Member's attention to the answer given to part (*a*) of the Honourable Mr. G. S. Khaparde's question No. 69 on 27th February 1928, in the Council of State. Persons when first appointed to the Archæological Department are expected to have a sound working knowledge of one or more of the following subjects, *i.e.*, Architecture, Indian languages, history, pre-historic antiquities and excavations, etc., according to the branch of the work for which recruitment is made. Fitness for promotion to the superior posts of the Department such as those of Superintendents is acquired by practical experience which in India the Department alone can provide.

(*b*) As I have already explained to the honourable member in my answer to part (*a*) of the question, selection for first appointment to the Department is based primarily on the possession by candidates of a foundation of linguistic, historical or architectural knowledge or of proficiency in more than one of these subjects according to the nature of the work for which recruitment is made. The Archæological Department differs from the other Scientific Departments of Government in that, outside it, there exists no agency which provides facilities for specialisation such as are available in respect of the various branches of Physical Science, *e.g.*, Chemistry, Mineralogy, etc.

(*c*) No.

UNSATISFACTORY ARCHÆOLOGICAL REPORTS.

548. ***Sheikh Mushir Husain Kidwai:** Has the attention of the Government been drawn to the circular No. 333-69, dated 1st July, 1929, issued by the Director General of Archæology in which the officer admits that many of the contributions to the annual reports were lamentably poor, drawn up carelessly and illogically and in such indifferent literary style that it has been necessary to rewrite them?

Sir Frank Noyce: Government's attention was not drawn to the circular referred to by the Honourable Member until receipt of his question. The circular was issued by the Director General of Archæology in India in order to draw attention to the lapses of some members of the Department rather than to reflect upon the capacity of the personnel of the Department as a whole. It was intended to be treated as confidential, and Government would like to know how its contents came to be known to the Honourable Member. Government are assured by the Director General of Archæology that there is no justification whatsoever for thinking that the efficiency of the Department as a whole is today in any way below the high level which has always been characteristic of the Archæological Survey of India.

STANDARD OF SCHOLARSHIP IN THE ARCHÆOLOGICAL DEPARTMENT.

549. ***Sheikh Mushir Husain Kidwai:** (*a*) What steps do Government intend to take to raise the standard of scholarship in the Archæological Department?

(*b*) Do Government intend to thresh out the whole question of appointments in this Department, if necessary, with the help of an expert committee?

Sir Frank Noyce: (*a*) In view of the answer given by me to question No. 941 Government do not consider that any action is necessary to raise the standard of scholarship in the Archæological Department.

(*b*) No.

APPOINTMENT OF DIRECTOR GENERAL OF ARCHÆOLOGY.

550. ***Sheikh Mushir Husain Kidwai:** (*a*) Have Government considered the question of appointing a successor to Sir John Marshall, as Director General of Archæology?

(*b*) What are the names and qualifications of the officers who have been appointed to act in his place during the last three years?

Sir Frank Noyce (*a*) An officer has already been appointed to officiate as Director General of Archæology in place of Sir John Marshall.

(*b*) A statement giving the information asked for is laid on the table of the House.

Statement.

Year.	Name of officer.	Period for which he officiated as Director-General of Archæology.	Qualifications.
1927	No officiating appointment was made in this year.		Both Messrs. Hargreaves and Blakiston are experienced officers of the Department in which they have been serving since 1909 and 1911 respectively. Mr. Hargreaves did admirable conservation work in the Northern Circle and has also made valuable contributions to archaeological research. Mr. Blakiston is a first class architect. Both officers have shown great administrative ability in all the appointments they have held.
1928	Mr. J. F. Blakiston	6th September 1928 to 7th October 1928.	
	Mr. H. Hargreaves	8th October 1928 to date.	
1929	Mr. Hargreaves officiated for Sir John Marshall throughout the year.		

QUALIFICATIONS OF OFFICERS OF THE ARCHÆOLOGICAL DEPARTMENT.

551. ***Sheikh Mushir Husain Kidwai:** (*a*) Will Government be pleased to state what are the qualifications of the Superintendents and Assistant Superintendents of the Archæological Department?

(*b*) How many officers in the Archæological Department have passed the age of superannuation?

(*c*) On what grounds have Government considered it necessary to retain them in service?

(*d*) Have Government considered the question of filling these appointments by appointment of competent persons?

(*e*) How many officers of the grade not lower than Superintendents are expected to reach the age of superannuation within the next four years?

(*f*) Do Government intend to appoint persons in the grade of Assistant Superintendents or to raise fresh incumbents to the post of Superintendents?

(*g*) How many officers of the general line, *i.e.*, Superintendents and Assistant Superintendents of the Archæological Survey are graduates of Indian or foreign universities?

(*h*) How many of them are conversant with oriental languages like Sanskrit, Pali and Prakrit, Arabic, Persian, etc.?

(*i*) Will Government be pleased to state whether it is considered necessary to have a larger proportion of people with linguistic qualifications in the cadre of the Archæological Department? If not, why not?

Sir Frank Noyce: (*a*) I would invite the Honourable Member's attention to the answer given by me to part (*a*) of question No. 547.

(*b*) Two.

(*c*) In the interests of the public service. Both the officers are engaged upon literary work which cannot be entrusted to others.

(*d*) Yes.

(*e*) Seven.

(*f*) If the Honourable Member wishes to know whether it is intended to appoint men from outside the Archæological Survey to succeed Superintendents now in service, the answer is that Government have no such intention at present, as no difficulty is anticipated in finding from the junior ranks of the Department officers who would be fully qualified to fill vacancies among Superintendents as and when these occur.

(*g*) 17 out of a total strength of 21 permanent officers.

(*h*) 19.

(*i*) No. The existing proportion of officers possessing linguistic qualifications to the total strength is fully adequate.

ARCHÆOLOGICAL PUBLICATIONS.

552. ***Sheikh Mushir Husain Kidwai:** (*a*) Will Government be pleased to state what steps have been taken to popularise the work of the Archæological Department among the general public?

(*b*) Is it a fact that the chief provincial publications have been discontinued during the last few years?

(*c*) Is it a fact that the Director General of Archæology in India has prohibited the publication of any article, even in the vernacular, by the provincial Superintendents or any of their staff?

(*d*) Does this rule obtain in all the scientific departments of the Government of India or does it apply exclusively to the Archæological Department?

(*e*) Is it the policy of Government to give every encouragement to the officers and the staff of the Archæological Survey to disseminate knowledge about India's past by all possible means?

Sir Frank Noyce: (*a*) The work of the Archæological Department is given publicity by means of departmental publications such as Annual and Special Reports, Memoirs and the like. Whenever a new discovery of importance is made, a press communiqué is also issued. The work of the Department is also reviewed annually by the Director of Public Information in his book "India".

(*b*) Yes; primarily as the result of Archæology having become a central subject under the Reforms.

(*c*) The contribution of articles, whether in an Indian vernacular or in English is not prohibited. All that is required is that, before such articles appear in publications other than departmental, the approval of the Government of India should be obtained. This condition is necessary in order to ensure that the results of Government Archæological work are made available simultaneously and on equal terms to every one.

(*d*) I am making inquiries and shall let the Honourable Member know the result in due course.

(*e*) Yes; Government are not aware that the practice observed by them in this matter in any way conflicts with the objective described by the Honourable Member.

PROMOTION OF ANGLO-INDIAN ACCOUNTS OFFICERS ON THE EAST INDIAN RAILWAY.

553. ***Mr. B. Das:** (*a*) Will Government be pleased to state if it is a fact that all the six Divisional Accounts Officers on the East Indian Railway are Anglo-Indians?

(*b*) Is it a fact that a large proportion of these officers were promoted from the Anglo-Indian Inspectors of Station Accounts?

(*c*) What is the reason for raising the post of the Inspector of Station Accounts to the officers' rank and putting them in the General Branch? Is it only to increase the number of Anglo-Indian element in the higher post?

Mr. A. A. L. Parsons: (*a*) Three are Anglo-Indians and three are Europeans.

(*b*) One of the three Anglo-Indians is a promoted Inspector of Station Accounts but he had been promoted by the Auditor General before he was loaned to the Financial Commissioner.

(*c*) In view of the replies to clauses (*a*) and (*b*) the question does not arise.

PROMOTION OF ANGLO-INDIAN ACCOUNTS OFFICERS ON THE EAST INDIAN RAILWAY.

554. ***Mr. B. Das:** (*a*) Will Government be pleased to state if it is a fact that six more Divisional Accounts Officers will be required on the East Indian Railway for the six Divisions to introduce the Local Traffic accounts scheme?

(*b*) Is it a fact that the scheme is now being carried out by an Anglo-Indian officer who was previously the Head Booking Clerk of Delhi?

(*c*) Is it a fact that all these six officers are being selected from the Anglo-Indians? Is it a fact that two Anglo-Indian Inspectors also are to be given promotion under this scheme?

(*d*) Are Government aware that invariably the members of this community are monopolising all the higher posts on the East Indian Railway? Why are they getting preference?

(*e*) Are Government prepared to look into this and put a stop to this preferential treatment to the members of a particular community?

Mr. A. A. L. Parsons: (*a*) Yes, but only three of the posts are additional, as there will be a reduction of three posts in the head office.

(*b*) No. The previous Head Booking Clerk of Delhi, who is an Anglo-Indian, is only one of the six District Traffic Accounts Officers.

(*c*) Only one appointment has been made so far, *viz.*, the promoted Head Booking Clerk of Delhi mentioned in the answer to (*b*) above. The question of filling the remaining two additional posts has not yet arisen.

(*d*) and (*e*). No one is getting any preference in the matter of promotion because he belongs to a particular community. The majority of the upper grade subordinates that have come to the State from the East Indian Railway Company are Anglo-Indians.

Lieut.-Colonel H. A. J. Gidney: Arising out of the Honourable Member's reply to part (*d*) of this question, will he state whether it is or is not a fact that, during the year 1929, while there was a marked increase of Indians in the upper subordinates grade, the number of Anglo-Indians employed on the East Indian Railway including upper subordinates was reduced by 253, or 10 per cent. of their total number; and if that is a fact, is it preferential (as is stated in part (*d*) of the question) or differential treatment?

Mr. A. A. L. Parsons: The Honourable Member will not expect me to carry the figures in my head; I am content, if the figures appear in a public Report, to accept them from him.

FACILITIES IN INDIA GRANTED TO THE DUTCH AIR SERVICE.

555. ***Mr. Gaya Prasad Singh:** Is it a fact that the question of giving "further facilities" to the Dutch air flights across India is being considered by Government, and if so, will they be pleased to make a statement on the subject so as to allay any apprehension that the Indian revenues may be charged for providing facilities to a foreign air service, or that a foreign air service may establish itself in India?

The Honourable Sir Bhupendra Nath Mitra: The permission of Government for further trial flights between Holland and the Dutch East Indies has been asked for and the matter is now under consideration by Government. If permission is given, no facilities other than those referred to in the reply given by me in this House on 20th January 1930 to part (*c*) of the Honourable Member's question No. 19, will be afforded.

Mr. Gaya Prasad Singh: I was then not here as I had resigned; will the Honourable Member kindly repeat that answer?

The Honourable Sir Bhupendra Nath Mitra: I have not got the answer with me at the present moment; but my Honourable friend will find it printed in the reports of the House.

CLASSIFICATION OF COMMUNITIES FOR APPOINTMENT IN THE SERVICE.

556. ***Mr. Anwar-ul-Azim:** (*a*) Will Government be pleased to state, whether the following Resolution was passed by the Assembly on the 10th of March, 1923?

> "That this Assembly recommends to the Governor General in Council that in making new recruitment for the services under the control of the Central Government, steps be taken to secure, that the services are not unduly overweighted with representatives of any one community or province and that as far as possible claims of all communities and provinces are considered."

(*b*) Has any effect been given to this Resolution as yet?

(*c*) Does the classification of communities into majority and minority date from the passing of the said Resolution?

(*d*) Are the depressed classes, the Sikhs, Parsis and Indian Christians counted with the majority community for the purposes of representation in the services of the Crown under this Resolution?

(*e*) Which are the minority communities contemplated by the Government of India Circular No. F.-176/25-Ests., dated the 5th February 1926?

(*f*) Are not the depressed classes numbered as sixty millions in this country? Are they classed with the minorities?

(*g*) Who are these "others" mentioned in the Railway Board's Report for 1928-29, who are also considered as belonging to the minority communities?

The Honourable Sir James Crerar: (*a*) and (*b*). The reply is in the affirmative.

(*c*) I would refer the Honourable Member to my reply to his question No. 64, on the 3rd September last.

(*d*) Sikhs, Parsis, and Indian Christians are among the classes generally recognised as requiring consideration in accordance with the principles of the Resolution.

(*e*) There has been no precise definition of the term "minority communities".

(*f*) It was computed at the Census of 1921 that the depressed classes numbered between 55 and 60 millions in India proper. It is understood

that certain castes included under the general description of depressed classes are treated as minority communities by certain local Governments.

(*g*) The term "other classes" refers to communities not specifically mentioned in the statements included in the report.

Nawab Sir Sahibzada Abdul Qaiyum: Have the Government of India ever considered how the caste Hindus, who appear to have monopolised or captured Government services, compare with Muslims in numbers after excluding the Buddhists, the Sikhs and other smaller communities now forming part of the majority community and whether untouchables, who form a very large part of the Indian population and are classed as Hindus or as part of the majority community, are counted as such in securing services for the Hindus?

The Honourable Sir James Crerar: I think, if the Honourable Member will re-peruse the various debates in this House and the answers that have been given, he will find that these matters have been carefully considered.

As regards the specific question he asked regarding the depressed classes, I have already pointed out that some Local Governments do feel that certain sections included under that general definition are minority communities.

Nawab Sir Sahibzada Abdul Qaiyum: Do Government propose to isolate the Mussalmans from the rest of the population of India for the purposes of services, just as has been done with respect to representation in the Assembly and Local Councils, by declaring certain constituencies as Muhammadan and the rest as Non-Muhammadan? Will Government see the advisability of separating or isolating the Muhammadans altogether from the rest of the Indians and give them a share in the services according to their numbers?

The Honourable Sir James Crerar: I shall examine the suggestion made by the Honourable Member.

Mr. M. S. Aney: Is the Honourable Member aware that, at the All-India Minorities Conference, the covener had also invited the depressed classes to attend it?

The Honourable Sir James Crerar: I am afraid I could not catch the Honourable Member. Will he kindly repeat his question?

Mr. M. S. Aney: Is the Honourable Member aware that at the All-India Minorities Conference the depressed classes were also invited to attend it? Is the Government aware of it?

The Honourable Sir James Crerar: I do not think that arises out of this question.

Mr. Gaya Prasad Singh: Have claims of all the different provinces been taken into account in terms of the Resolution to which reference has been made in the question?

(No answer was given.)

TRAINING OF INDIANS FOR RAILWAY SERVICES.

557. ***Mr. Bhupatiraju Sitaramaraju:** Will Government be pleased to state what progress has been made with regard to the technical training of Indians in the several provinces of India, both for the superior and the subordinate grades of the railway services, and the system of selection and training of the young men appointed probationers in the Traffic Department on Indian Railways, and if so, what is the number that are being trained now, and how many of them are Hindus, how many Mussalmans, and how many Anglo-Indians, and how many Indian Christians?

Mr. A. A. L. Parsons: Information on the subject is not available by Provinces. On the State-managed railways there are 39 special apprentices who are receiving training for the Mechanical Engineering and the Transportation Power branches. The distribution of this number among the communities is as follows:

Hindus	22
Muhammadans	9
Anglo-Indians	5
Indian Christians	2
Parsee	1
Total	39

There are also at present 19 probationers of Asiatic domicile in the Superior establishment in the Transportation Traffic and Commercial Branches of State-managed railways. The distribution of this number among the different communities is as follows:

Muslim	1
Hindus	16
Indian Christian	1
Sikh	1
Total	19

Government are not in possession of information showing the number of apprentices and probationers in the Superior establishments of Company-managed railways.

The regulations for the recruitment of probationers in the Superior Traffic Transportation and Commercial Branches of State-managed railways are in the Library of the House.

Each railway administration has prescribed its own rules for the training of the subordinate establishment, but the question of obtaining some uniformity on State-managed railways is under consideration.

Government are not aware of the number of subordinates who are at present receiving training in the Traffic Department of Indian Railways.

HIGH RATE OF INTEREST FOR RECENT STERLING LOAN.

558. ***Mr. Bhupatiraju Sitaramaraju:** Will Government be pleased to state (i) why the sterling loan was borrowed at six per cent.; (ii) whether the amount could not be raised in India, and (iii) whether the high rate offered had anything to do with the Lahore resolutions?

The Honourable Sir George Schuster: I would invite the Honourable Member's attention to paragraphs 92 and 93 of my budget speech where he will find my answers to his queries.

CONSTRUCTION OF THE VIZAGAPATAM HARBOUR.

559. ***Mr. Bhupatiraju Sitaramaraju:** (*a*) Will Government be pleased to state when the harbour construction at Vizagapatam is likely to be finished, and what is the amount already spent and what amount is yet to be spent for the purpose?

(*b*) Will the Vizianagram to Raipur Railway be completed by the time the Vizagapatam Harbour work is completed, and is there any prospect of opening both in 1931, as originally contemplated?

Mr. A. A. L. Parsons: (*a*) It is hoped that work on the construction of the Vizagapatam Harbour will be sufficiently advanced to allow ships to be berthed in 1932. The amount spent on construction of the Harbour up to the 30th September, 1929, was approximately Rs. 161·93 lakhs. The latest forecast of total expenditure is Rs. 286½ lakhs.

(*b*) Yes. Portions of the Raipur-Vizianagram Railway between Raipur Jhonk and Parbatipur-Vizianagram have already been opened and the balance of the line is expected to be ready in 1932.

DESTINATION OF THE BUDDHA RELIC FOUND AT PALNAD.

560. ***Mr. Bhupatiraju Sitaramaraju:** Will Government be pleased to state whether they have decided the destination of the real find in Palnad taluk in the Krishna district by Mr. Longhurst of the Indian Archæological Survey, of Buddha's relic?

Sir Frank Noyce: No. The matter is still under consideration.

CLAIM BY INDIA FOR WAR SERVICES RENDERED TO BRITAIN.

561. ***Mr. Bhupatiraju Sitaramaraju:** Will Government be pleased to state whether India's claim of seventy million sterling in Britain in connection with war services, apart from one hundred million pounds sterling voluntarily given by India, has been settled by the War Office?

The Honourable Sir George Schuster: There has never, so far as I can ascertain, been any question of a claim by India of seventy million sterling in connection with war services. I have ascertained from the Honourable Member that his question refers to the general settlement of war claims and that he wishes to know:

(*a*) the net amount paid by India over and above the original contribution of one hundred million sterling; and

(*b*) whether there are any outstanding claims by India against the British Government and *vice versa*.

As to the first point, a further contribution of £13,600,000 was made in accordance with a Resolution passed by the Imperial Legislative Council in September 1918. This payment was made at the time, but still awaits formal ratification by a Resolution of Parliament.

As to the second point, there are certain outstanding claims and counter-claims. These have been the subject of prolonged discussion, and I can indicate that Government expect shortly to be able to announce a final settlement of all war claims.

DETERMINATION OF LAND REVENUE POLICY BY PROVINCIAL LEGISLATURES.

562. ***Mr. Bhupatiraju Sitaramaraju:** (*a*) Will Government be pleased to state whether the Government of India allow freedom to Local Governments to deal with land revenue policy as they deem best, and if so, have the provincial legislatures any determining voice in the matter?

(*b*) If so, have such powers so far been exercised by any of the provincial legislatures?

(*c*) If the provincial legislatures are not given this freedom, do the Government of India propose to take steps to give such freedom to them?

Sir Frank Noyce: (*a*) Under the Devolution Rules land revenue administration is a provincial subject and Local Governments are free to deal with questions affecting land revenue policy in their respective provinces, subject to the general powers of superintendence, direction and control possessed by the Government of India. The powers of local legislatures are defined in the Government of India Act.

(*b*) The general principles of land revenue assessment have been embodied in Acts passed by the local legislatures of the United Provinces, Central Provinces and the Punjab. Similar legislation is under consideration in Bombay and Assam and the necessary Bills will be introduced in due course in the local Legislative Councils.

(*c*) **Does not arise.**

PERCENTAGE OF VACANCIES IN THE INDIAN FOREST SERVICE FILLED BY PROMOTION OF OFFICERS OF THE PROVINCIAL FOREST SERVICE.

563. ***Mr. S. C. Mitra:** (*a*) In reply to Mr. K. C. Neogy on the 12th September, 1928, the Government stated "12½ per cent. of the total Indian Forest Service cadre was set apart in 1921 for promotion of Provincial Forest Service Officers as a result of the recommendation of the Islington Commission. This proportion of posts is now held by Provincial Forest Service officers and it is the intention of Government to fill each vacancy in this portion of the cadre by promotion from the Provincial Forest Service. This will give, during the period 1928—34, officers of the Provincial Service 10 vacancies out of 24 or 41·66 per cent. of the total number of vacancies."

Will Government be pleased to state why particularly a period of seven years was taken for the purpose of calculation? Is it that, in that year, the figure for the posts likely to be held by provincial officers is at its highest, or is there any other reason?

(*b*) Is it not a fact that according to the calculations shown by Government there ought to be 14 vacancies within the period 1928—34 to be

filled up by direct recruits? Is it a fact that already six Indians and four Europeans have been recruited and seven more are undergoing training, four of whom will be appointed in 1930 and three in 1931?

Sir Frank Noyce: No special significance attaches to the period of seven years for which vacancies among promoted Provincial Forest Service officers were calculated in answering the question referred to by the Honourable Member. This period was chosen merely because figures for it happened to be readily available. In calculating vacancies due to superannuation, fairly long periods have to be taken into account; otherwise no clear indication could be obtained of the average rate of retirement. If the period in question had been three years, say to the end of 1931, the share of Provincial Forest Service officers of the total number of vacancies then expected would have come to 40 per cent. or only 1·66 less than the percentage mentioned in the answer given to Mr. Neogy.

(*b*) The facts are as stated. The increase in the actuals of direct recruitment is explained by the fact that the figure 14 mentioned by the Honourable Member related only to vacancies due to superannuation.

LACK OF LISTED POSTS IN THE FOREST DEPARTMENT.

564. ***Mr. S. C. Mitra:** (*a*) Is it a fact, that there has been a substantial increase in the number of listed posts in almost all other departments except Forest, subsequent to the Lee Commission?

(*b*) If the reply to part (*a*) is in the affirmative, will Government explain if there are any particular reasons for this differential treatment of the provincial officers of this Department?

Sir Frank Noyce: (*a*) There has been an increase in the number of listed posts in the Indian Civil Service and Indian Police Service.

(*b*) The main question is one of Indianisation rather than one of the sources from which Indian recruits should be drawn. In the Indian Forest Service the proportion of posts reserved for Indians is higher than in either of the other two all-India Services mentioned in the answer to part (*a*). In order that Indians should receive higher training in Forestry in India before appointment to the Indian Forest Service, the Government of India expanded the College of Forestry at Dehra Dun at a cost of nearly five lakhs on buildings and equipment and an additional expenditure of approximately Rs. 86,000 on the staff. The number of Indian probationers who have been receiving instruction at the College before appointment to the Indian Forest Service in any one year works out at an average of 4, and the chances are that in the near future it may fall even below this number. The proportion of posts reserved for promoted Provincial Forest Service officers can be increased only at the expense of direct Indian recruits and consequently at the expense of the College of Forestry at Dehra Dun which might as well be closed if the number of direct recruits is to fall well below the small figure of 4 a year. The Government of India, therefore, thought that it would be better to await the Report of the Indian Statutory Commission, when the future of the control of Forests could be clearly visualised, before deciding to vary the existing system of recruitment for the Indian Forest Service. For, if the next step should be assimilation of the position of the Indian Forest Service to that of other all-India Services operating in the transferred field, the question of increasing the proportion of

posts open to promoted officers would become largely one for each Local Government to decide. Government are, however, now considering whether anything can be done in the meantime to increase the proportion of posts open to Provincial Forest Service officers without materially reducing the average number of Indians now annually chosen for training at Dehra Dun and the Honourable Member may rest assured that, if something can be done in this direction, it will be done.

RECRUITMENT IN THE INDIAN FOREST SERVICE.

565. ***Mr. S. C. Mitra:** (*a*) Is it a fact that the Government of India, in letter No. 1270, dated 12th October, 1922, in reply to the memorials submitted by the Provincial Forest Service officers said "having regard to the similarity in the character of the duties to be performed in the so-called 'major' and 'minor' charges, it may be that we shall propose some increase in the number of posts in the Imperial Service as open to the Provincial Service"?

(*b*) If the reply to part (*a*) is in the affirmative, will Government state whether they have come to any decision on this point, within the last seven years?

(*c*) Is it a fact that four Europeans have been directly recruited in the Indian Forest Service against six Indians within the last two years? Will Government explain how this is consistent with the proportion fixed by the Lee Commission (*i.e.*, 75 per cent. should be Indians and 25 per cent. Europeans)?

Sir Frank Noyce: (*a*) No.

(*b*) I have already explained the position in my answer to part (*b*) of the immediately preceding question.

(*c*) Four Europeans were appointed to the Indian Forest Service in 1929, but this was not as against six Indians, but in order to make up the European ratio of 1 = 3 which, but for these four appointments, would have fallen to 3 = 26.

PROMOTION OF PERMANENT ENGINEERING SUPERVISORS, TELEGRAPHS.

566. ***Mr. Gaya Prasad Singh:** (*a*) Have the Government of India in the Department of Industries and Labour in their letter No. 107-PTE. dated the 18th April, 1927, sanctioned the withholding of promotions of permanent Engineering Supervisors, Telegraphs (General Branch), appointed according to the old method in force prior to January, 1929, to the grade of Deputy Assistant Engineers, or does this letter only sanction recruitment to the grade of Engineering Supervisors?

(*b*) How many Engineering Supervisors (recruited according to the old method) have been thus affected by this sanction and debarred from rising above the rank of Supervisors? Is it not a fact that some Supervisors were given only one chance to appear for the examination referred to in part (*b*) of my unstarred question No. 177 of the 16th September, 1929, regarding the system of recruitment to Telegraph Engineering Branches?

(*c*) If Government have not sanctioned the withholding of further promotions of Engineering Supervisors (recruited according to the old method) to the grade of Deputy Assistant Engineers, how do Government propose to reconcile their reply to part (*h*) of my unstarred question No. 177 of the

16th September, 1929? Are Government aware that in answer to the same question Government refused to take five Indians? If so, why then Engineering Supervisors, Messrs. J. E. W. Underwood, W. C. Duncan, T. P. D'Abreu, were sent to the Chief Electrician's Office, Calcutta, for training? What was the object of training these three men in the Chief Electrician's office?

(*d*) Did the above three Supervisors fail to pass the examination referred to in part (*b*) of my unstarred question No. 177 of the 16th September, 1929? If so, why were these persons selected for training in the Telegraph Store-yard, Calcutta, in the office of the Chief Electrician?

(*e*) Is it not a fact that no permanent Indian Engineering Supervisor, Telegraphs, was admitted for training in the Chief Electrician's Office, Calcutta, while 14 Anglo-Indians in 1927, and three more this year have been sent up for subsequent appointments as Deputy Assistant Engineers?

(*f*) Do Government propose to make inquiries whether this is due to favour shown to a particular community?

The Honourable Sir Bhupendra Nath Mitra: (*a*) In the letter quoted the Government of India issued orders introducing a revised method of recruitment and training of candidates for the cadre of Engineering Supervisors. Consequent on the issue of these orders, the method of training Engineering Supervisors for subsequent promotion to the cadre of Deputy Assistant Engineers which was previously in force was abolished.

(*b*) The number is 21. The reply to the second part of the question is in the affirmative.

(*c*) In view of the reply at (*a*) above the first part of the question does not arise. The answer to the second part is in the affirmative.

Although Messrs. Underwood, White (not Duncan) and D'Abreu failed in the examination held in 1927, they had passed a previous similar examination in 1926, but owing to being over age they were not permitted to join training class in 1926. On reconsideration it was admitted by the Director-General that, as from the point of view of practical fitness they were thoroughly qualified to perform the duties of Deputy Assistant Engineers and they had passed an examination as already stated they deserved exemption from the age limit. The Government of India therefore permitted them, as a special case, to undergo the same course of training as was prescribed for appointment as Engineering Supervisors, selected under the new method in 1929, for subsequent employment as Deputy Assistant Engineers on successful completion of the course.

(*d*) The reply to the latter part of (*c*) covers this part.

(*e*) Yes—as only one Indian candidate qualified at the admission examination in 1927 and he subsequently failed to pass the examination held at the conclusion of six months' training.

(*f*) No. Government are satisfied that no favour has been shown to any particular community in this matter.

DISCHARGE OF ONE IMAMUDDIN, A DRIVER IN THE NORTH WESTERN RAILWAY.

567. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) Will Government please state the reason or reasons why one Imamuddin, son of Kasam, who was a F. P. driver in the North Western Railway on the Wazirabad-Lahore section, was discharged from service?

(*b*) Is it a fact that the said Imamuddin was injured, while on duty, twice,—once in 1925, and for the second time in 1927?

(*c*) If the answer to part (*b*) be in the affirmative, was any compensation paid to him under the Workmen's Compensation Act? If not, why not?

(*d*) Has any gratuity been paid to the said Imamuddin? If not, why not?

Mr. A. A. L. Parsons: I have asked the Agent, North Western Railway, for a report, and will communicate with the Honourable Member on its receipt.

UNDERWRITING COMMISSION PAID FOR FLOATATION OF THE RECENT STERLING LOAN.

568. ***Mr. Ghanshyam Das Birla:** (*a*) Will Government be pleased to state the amount of underwriting commission, if any, paid in connection with the floatation of the recent Sterling Loan of £6 millions?

(*b*) What is the figure to which the rate of interest works out taking into consideration the discount, interest, premium, underwriting commission, and other charges, if any?

The Honourable Sir George Schuster: (*a*) Underwriting commission paid was at the usual rate of 1¼ per cent.

(*b*) Taking into account all charges, the rate of interest works out to £7-5-8 per cent. if the loan is repaid in 1932 and £7-3-9 per cent. if repaid in 1933. It is of course obvious that in the case of a short loan like the present one the underwriting and other charges on issue if calculated in the form of an annual percentage work out at a comparatively high figure. These charges are the normal expenses on issues payable by all borrowers in London and do not reflect in any way on the credit of the borrower.

FALL IN THE PRICE OF SILVER.

569. ***Mr. Ghanshyam Das Birla:** (*a*) Has the attention of Government been drawn to the following Reuter's message, dated London, the 17th February, appearing in the newspapers of February 19th, 1930?

"Mr. Li Ming, Chairman of the Bank of China, has issued a statement that "the present low value of silver is entirely due to the Indo-China change to the gold standard, combined with indiscriminate selling of surplus of silver by the Indian Treasury."

"Shanghai stocks", he says, "are not too large because the bulk are reserves against notes in circulation." Mr. Li Ming anticipates an increased need for silver in China, and adds that the adoption of a gold standard by China is impossible in the near future. If, and when it is adopted, no gold coins are contemplated and therefore China must continue to be a large buyer of silver for coinage purposes."

(*b*) Is the Honourable the Finance Member prepared to modify the statement made by him while replying to Sir Purshotamdas Thakurdas in the Legislative Assembly on the 4th February, 1930, when, as reported in the papers, he said, among other things that "it was not primarily the action of the Government of India which brought about the fall in silver prices" and that "the depreciation had been caused by the fact that China, Indo-China were selling silver"?

The Honourable Sir George Schuster: (*a*) Yes.

(*b*) I maintain that the reply which I gave to Sir Purshotamdas Thakurdas was substantially correct. I cannot agree with the statement quoted by the Honourable Member to the effect that the selling by the Government of India has been 'indiscriminate' and the chief factor in the recent fall. According to my information, the chief factors in the fall in the last three months (during which the Government of India have made no sales in the London market) have been sales of 50 million ounces from Indo-China, and substantial forward operations in the market by Chinese holders of silver. I would call the Honourable Member's attention particularly to the fact that whereas the Government of India have only sold 67·8 million ounces since the Currency Commission's Report (*i.e.*, in 3½ years) the Banque d'Indo-China are reported to have sold 50 million ounces in the last few weeks. I would also call attention to the fact that the Government of India have not sold any refined silver below a basis of 22½ pence per ounce in London. I agree that India has been a factor in the general world position, but this was unavoidable because the known large surplus stocks held by us would have been a depressing factor whether we had sold or not.

TOTAL OF SILVER RUPEES IN CIRCULATION.

570. ***Mr. Ghanshyam Das Birla:** Will Government be pleased to give their estimate of the total silver rupee circulation at present?

The Honourable Sir George Schuster: Statement XXX of the last annual report of the Controller of the Currency gives the total of rupees coined. As no information can be obtained as to the total amount of rupees melted, exported and lost, Government prefers not to give an estimate of the silver rupee circulation.

PROPORTION OF THE REGISTERED DEBT OF INDIA IN RUPEES HELD BY EUROPEANS.

57. ***Mr. Ghanshyam Das Birla:** Will Government be pleased to state the proportion of the registered debt of India in rupees held by Europeans on the 31st December of 1917 and 1929?

The Honourable Sir George Schuster: The information is not available. As a very small portion of the rupee debt is registered, any conclusions regarding the total debt based on the figures of the registered debt would be misleading.

MAJORITY AND MINORITY COMMUNITIES IN BURMA AND NORTH-WEST FRONTIER PROVINCE.

572. ***Mr. Anwar-ul-Azim:** Will Government be pleased to state which are the majority and minority communities in Burma, and the North-West Frontier Province, and what method is adopted in those provinces in the matter of recruitments in the public services, which are under the Central Government?

The Honourable Sir James Crerar: In regard to the first part of the question, further enquiries are being made, and I shall be glad to furnish the Honourable Member with the information in due course.

As to the second part, the Government of India hope shortly to be in a position to issue instructions in the matter.

DELHI ELECTRIC SUPPLY AND TRACTION COMPANY.

573. ***Mr. K. C. Roy:** (*a*) Is it a fact that the Delhi Electric Supply and Traction Company is a company of foreign domicile with a completely foreign Board of Directors?

(*b*) Is it a fact that the Company has, in the course of 23 years ending the 31st December, 1928, built up assets worth about three times the subscribed capital, that for several years it has been paying a high dividend of 12 per cent., and that in addition shares to the extent of one third of the original number have been recently issued free to the existing shareholders?

(*c*) Is it a fact that the Municipal Committee and the Delhi public have made strong complaints against the rate charged by the Company for the current supplied, and against the working of the tramways?

(*d*) What steps do Government propose to take in order to stop the exploitation of the public of Delhi by a rich company of foreigners?

(*e*) Is it a fact that the Company have applied for the extension of their licence for fifty years from date, although their existing licence does not expire till 1947? What are the considerations underlying this course?

(*f*) Have Government considered the inadvisability of extending the licence of a foreign company for such a long time?

(*g*) In any case are Government prepared to give an undertaking that they will not commit the future generations irrevocably to any arrangement without giving this House an opportunity to discuss the matter?

The Honourable Sir Bhupendra Nath Mitra: With your permission, Sir, I propose to answer questions 573 and 574 together.

The information asked for is being collected and will be supplied to the Honourable Member in due course.

Mr. B. Das: In view of the national importance of the reply to these questions, will the Honourable Member lay it on the table of this House?

The Honourable Sir Bhupendra Nath Mitra: My Honourable friend is going back to the matter which was dealt with by my Honourable friend the Leader of the House a little while ago. When we get the answers, we shall duly consider whether they should be placed on the table of the House or copies placed in the Library, with reference to the practice which has been started on a suggestion made, or a ruling given, by a previous President of this House.

Mr. B. Das: On a point of order, Sir. If the answer is a long statement, the Honourable Member can place it in the Library or send it to the Member concerned. Here a definite question of public importance has been asked, and if the answer is sent to the Honourable Member, the House will be entirely in the dark. I hope you will give your ruling on the point whether in such cases the answer should not be given on the floor of the House.

Mr. President: The Honourable Members have a remedy if they choose to utilise it.

DELHI ELECTRIC SUPPLY AND TRACTION COMPANY.

†574. *Mr. K. C. Roy: (a) Is it a fact that a considerable part of the profits of the Delhi Electric Supply and Traction Company is being used in purchasing current from the Government Power Station at a cheap rate and selling it to the public at a much higher rate? What is the extent of the Company's profits through this arrangement?

(b) Is it a fact that on this account Government refused to supply current for street lighting to the Delhi Municipality and thereby forced it to pay much higher rates to the company?

(c) Is it a fact that negotiations are being carried on between the Director of the company and the Government for selling the Government power installation or failing that for supplying current from this installation at still cheaper rates?

(d) Are Government prepared to give an undertaking that they will take this House and the public fully into confidence in the matter?

DIFFERENCE IN PRICE OF ELECTRIC CURRENT SUPPLIED TO GOVERNMENT OFFICIALS AND PRIVATE INDIVIDUALS IN NEW DELHI.

575. *Mr. K. C. Roy: (a) Is it a fact that electric current is supplied from the Government Power House at the rate of three annas a unit to Government officials in New Delhi and at the rate of six annas a unit to private individuals in the same area?

(b) If the reply to part (a) is in the affirmative, what is the difference due to?

(c) What is the extent of loss, if any, which Government incur in supplying electric current at reduced rates to Government officials? If there is a gain what is the extent of the gain?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes.

(b) The higher rate for private consumers was fixed to correspond with the rate charged by the Company which supplies current in Delhi. I may add that the question of making a uniform charge for all consumers in the New Delhi area is now under the consideration of Government.

(c) Government incurs no loss in supplying current at a rate of three annas per unit. It is difficult to state what profit, if any, there is by supplying current at this rate, because a large amount of energy is supplied as power in different forms at different rates.

Pandit Hirday Nath Kunzru: If three annas per unit is charged to Government officials, why is double that rate charged to private consumers?

The Honourable Sir Bhupendra Nath Mitra: I have already answered that part of the question. If the Honourable Member had listened to the answer given to part (b) of Mr. Roy's question, he would have got the answer.

Pandit Hirday Nath Kunzru: Replying to part (b), the Honourable Member said that the question was under consideration. I was asking him, if it was a fact that three annas per unit was sufficient to cover the cost of generation of electricity, why private consumers were so long charged six annas. That question was not answered.

†For answer to this question, *see* answer to question No. 573.

The Honourable Sir Bhupendra Nath Mitra: I shall read out the answer again.

"The higher rate for private consumers was fixed to correspond with the rate charged by the Company which supplies current in Delhi."

That is the answer to the question put by my friend Pandit Hirday Nath Kunzru. The additional statement that I made was:

"I may add that the question of making a uniform charge for all consumers in the New Delhi area is now under the consideration of Government."

Pandit Hirday Nath Kunzru: That does not answer the question why there was a difference? Why did you permit that difference to continue?

The Honourable Sir Bhupendra Nath Mitra: There is no question of Government permitting it. The Company has levied the rate charged so far under the terms of its licence.

Pandit Hirday Nath Kunzru: Who is considering the question of equalising the rates?

The Honourable Sir Bhupendra Nath Mitra: I have already answered that question in my reply to the original question. I shall read the answer again.

Mr. President: Order, order.

Mr. B. Das: Has power been given in the licence to the Company to charge Government officials a smaller rate than the private consumers?

The Honourable Sir Bhupendra Nath Mitra: My Honourable friend has wholly misunderstood the answer. If he will kindly read the answer I have given, he will be able to understand the position more fully.

The Revd. J. C. Chatterjee: Have Government received a request from the Delhi Municipality that they should not sell the Government Power House to any company without consulting them nor enter into a lease with any company?

The Honourable Sir Bhupendra Nath Mitra: I submit that that question does not arise out of the questions that I have been so far answering.

Mr. M. R. Jayakar: In whose power is it to charge the new uniform rate, the Government or the company?

The Honourable Sir Bhupendra Nath Mitra: It is in the hands of Government. It is for the Government to consider that question, and that has been stated in my reply.

CLASSIFICATION OF GOVERNMENT QUARTERS IN NEW DELHI.

576. *Mr. S. C. Mitra: (a) With reference to sub-paragraph (a) of the reply to part (f) of Mr. G. Sarvotham Rao's starred question No. 73, dated the 20th January, 1930, regarding the classification of the types of Government quarters in New Delhi, will Government be pleased to state how many times the pay has been revised?

(b) Is it a fact that the pay has been revised only once since the fixation of the original classification? If so, why has the re-classification been introduced as many as three times after the original classification in 1921-22?

(*c*) With reference to sub-paragraph (*b*) of the reply to part (*f*) of Mr. G. Sarvotham Rao's starred question No. 73, dated the 20th January, 1930, will Government be pleased to state the number of different types of quarters built after each re-classification since 1921-22, both for orthodox and unorthodox men?

(*d*) Is it a fact that after each re-classification the number of the lowest types of quarters, *i.e.*, 'D' type orthodox quarters were built beyond proportion to the building of other types? If so, will Government be pleased to state the reasons why only 'D' type quarters were constructed? Is it a fact that men with higher pay were forced to occupy them by means of re-classification and raising of the pay limits?

(*e*) Will Government be pleased to state why the equalisation of the percentage of quarters in each class was not made by the building of more *higher* types of quarters? Will they be pleased to state whether they adopted the method of re-classification and raising of the pay limits for the different types of quarters for equalising the percentage of the quarters in each class? If so, why?

The Honourable Sir Bhupendra Nath Mitra: With your permission, Sir, I propose to answer questions Nos. 576 and 577 together. The information is being collected and will be supplied to the Honourable Member in due course.

CONSTRUCTION OF "E" TYPE ORTHODOX AND "D" TYPE UNORTHODOX QUARTERS IN NEW DELHI.

†577. ***Mr. S. C. Mitra:** (*a*) Is it a fact that Government are constructing 'E' type orthodox quarters and 'D' type unorthodox quarters in New Delhi? If so, will Government be pleased to state the reasons for their doing so? Have Government under contemplation any revision of pay?

(*b*) Is it a fact that men who were living in 'D' type orthodox quarters and 'C' type unorthodox quarters since 1921-22 will be forced to live in quarters like those built for duftries by another impending re-classification? If there has been no revision of pay now, why do Government propose to have another re-classification?

GOVERNMENT QUARTERS AT KAITHU IN SIMLA.

578. ***Mr. S. C. Mitra:** (*a*) With reference to the reply to my starred questions Nos. 222 to 224, dated the 5th September, 1929, will Government be pleased to state whether the Kaithu quarters in Simla are in the form of blocks or are separate cottages? If they are in the form of separate cottages, will Government be pleased to state the reasons why these cottages have been reserved for Europeans only?

(*b*) Do Government propose to classify these quarters as Indian quarters? If not, why not?

(*c*) Will Government be pleased to state the reasons why Europeans and not Indians are given the benefit of living in cottages located so near the Secretariat?

(*d*) Do Government propose to remove this preferential treatment to Europeans?

†For answer to this question, *see* answer to question No. 576.

The Honourable Sir Bhupendra Nath Mitra: (*a*), (*b*), (*c*) and (*d*). All quarters in Kaithu are in separate houses—some houses contain one set of quarters, some two, while a few contain four sets of quarters. These quarters have been allotted to Europeans for the past 40 years at least and the quarters recently constructed at Phagli were expressly built to meet the needs of Indians. It is hardly correct to say that the quarters in Kaithu are nearer the Secretariat than those at Phagli, and I understand that there is little to choose between the two as regards the time taken to reach Government offices from them. Nor does the arrangement constitute a preferential treatment in favour of clerks living in the Kaithu quarters. As a matter of fact the quarters in Phagli are on the sunny side of the hill, while those in Kaithu are on the north side and many of them get little sun; the Phagli quarters are new and the Kaithu quarters are old; and the former have water laid on and modern sanitation while the latter have not these conveniences.

REFUSAL OF EUROPEAN STAFF TO OCCUPY GOVERNMENT QUARTERS AT SUMMER HILL, SIMLA.

579. ***Mr. S. C. Mitra:** (*a*) Is it a fact that the European staff of the Imperial Secretariat refused to go to Summer Hill European quarters? Will Government be pleased to state how many quarters for Europeans in Summer Hill were vacant in each of the years since they were constructed?

(*b*) Is it a fact that all European tenants of Kaithu quarters have selected old rates of house rent with a view to evading compulsory occupation of Summer Hill quarters built for the Europeans?

(*c*) Will Government be pleased to state the number of tenants of the 44 Kaithu quarters who selected finally the old rates of house rent?

(*d*) Is it a fact that men under the new rates of house rent are compelled to occupy Government quarters? If so, will Government be pleased to state how many Europeans under the new rates have been compelled to occupy European quarters at Summer Hill?

The Honourable Sir Bhupendra Nath Mitra: The information is being collected and will be supplied to the Honourable Member in due course.

MEMORIAL FROM THE CENTRAL BOARD OF REVENUE MINISTERIAL OFFICERS' UNION, BOMBAY.

580. ***Mr. Bhupatiraju Sitaramaraju:** (*a*) Will Government be pleased to state whether they received a memorial from the Central Board of Revenue Ministerial Officers' Union, Bombay, requesting a revision of the time-scale of pay of the ministerial staff of the Customs, Salt, Income-tax, Cotton Industry and Cotton Cess Departments of Bombay?

(*b*) If so, has the memorial been rejected?

(*c*) Have Government since sanctioned, subject to the vote of the Assembly, a revision of the time-scale of pay of the Income-tax officers of Bombay?

(*d*) What are the reasons for sanctioning a revision mentioned in (*c*) above and rejecting the memorial mentioned in (*a*) above?

(*e*) Is it a fact that the time-scale of pay of ministerial servants in all the departments in Bombay under the control of the Central Government except those under the Central Board of Revenue have been revised since 1922, while in the case of those under the Central Board of Revenue repeated requests and memorials have been negatived?

(*f*) What are the reasons and grounds for this refusal to the ministerial employees in Bombay under the control of the Central Board of Revenue?

The Honourable Sir George Schuster: (*a*) Yes.

(*b*) Yes.

(*c*) Yes

(*d*) The principle that has been followed in fixing the pay of establishments under the Central Board of Revenue has been to regulate the scales of pay with close reference to the scales allowed by the Local Governments to their corresponding establishments. Judged by this criterion, the time scale of pay of Income-tax Officers in Bombay required alteration while those of clerks in the Central Revenue Departments in Bombay did not require any change.

(*e*) It is a fact that some of the ministerial establishment serving under the Central Government in Bombay especially those in the Audit and Accounts, Post and Telegraph and Currency and Mint Departments have had their pay revised since 1922, while the pay of ministerial ranks in the Departments under the Central Board of Revenue in Bombay has not been revised since 1922. I would observe that the Departments under the Central Board of Revenue were administered through Local Governments till comparatively recent times; and that the transfer of control was effected in Bombay between 1922 and 1926. The mere change in control did not, in the opinion of the Government of India, justify an increase of the pay of the staff.

(*f*) I am not prepared to admit that the staff in the Departments under the Central Board of Revenue in Bombay are not in receipt of a living wage.

UNSTARRED QUESTIONS AND ANSWERS.

CONTROL OF INTER-PROVINCIAL AIR SERVICES.

230. **Mr. H. P. Mody:** (*a*) Has the attention of the Government of India been drawn to a circular letter issued by Imperial Airways Limited, to various commercial firms in connection with a proposal to extend the London-Karachi service to Bombay?

(*b*) Have the Government of India been approached for a subsidy, and if so, will they be pleased to state what their attitude is going to be in view of their declared policy with regard to the direction and control of inter-provincial services?

The Honourable Sir Bhupendra Nath Mitra: (*a*) Yes.

(*b*) The answer to the first part is in the negative. The second part of the question does not, therefore, arise.

LAND OUTSIDE PESHAWAR CITY FOR THE CONSTRUCTION OF AN ISLAMIA HIGH SCHOOL.

231. **Maulvi Muhammad Yakub:** With reference to paragraph 4 of the reply given by Government to question No. 661, asked by Mr. Muhammad Ismail Khan, on the 19th February, 1929, on the subject of the refusal by the Peshawar District Headquarters to grant a piece of land outside Edwards Gate of Peshawar City for the construction of an Islamia High School, Peshawar Cantonment, on the ground that it was left open as a sanitary cordon between the city and cantonment, will Government be pleased to state if it is a fact that the land applied for has actually been used hitherto for public latrines?

Mr. G. M. Young: I am making enquiries and will let the Honourable Member know the result in due course.

INCONVENIENT TRAINS AND PLATFORMS AT ALIPUR SAYADAN STATION.

232. **Mr. Abdul Haye:** (*a*) Is it a fact that Alipur Sayadan on the Narowal Sialkot section of the North Western Railway is a mere flag station and has at present no siding?

(*b*) What is the ordinary stoppage of passenger trains at this station?

(*c*) Are Government aware that Alipur Sayadan, being the headquarters of a famous Muslim Pir, passengers from all parts of the country usually flock to this place in large numbers and that they are put to great inconvenience on account of short stoppage of passenger trains?

(*d*) Is it a fact that some time back, when a special train for this station was ordered, it had to be kept at Narowal for want of a siding at Alipur Sayadan?

(*e*) Are Government prepared to construct a siding at this station and remove the inconvenience due to short stoppage of trains?

Mr. A. A. L. Parsons: (*a*) Yes.

(*b*) Of the eight trains which are booked to stop at this station daily, seven are scheduled to halt for three minutes and one for two minutes.

(*c*), (*d*) and (*e*). I will obtain information on these points and communicate later with the Honourable Member.

INCONVENIENT TRAINS ON THE NAROWAL SHAHDARA LAHORE SECTION OF THE NORTH WESTERN RAILWAY.

233. **Mr. Abdul Haye:** (*a*) Is it a fact that on the Narowal Shahdara Lahore section of the North Western Railway no separate goods trains are run and that goods wagons are usually attached to the passenger trains?

(*b*) Is it a fact that passenger trains cannot observe scheduled timing on account of this arrangement and arrive at destination considerably late?

(*c*) Cannot this inconvenience to passengers be removed by running goods trains twice or thrice a week as need be?

Mr. A. A. L. Parsons: I see from the Working Time Table of the North Western Railway that the running of goods trains on this section has been provided for. I am ascertaining from the Agent of the North Western Railway whether, in actual practice, goods trains are run on the section and I will then address the Honourable Member further.

BREEDING CENTRES FOR COWS.

234. **Raja Raghunandan Prasad Singh:** (*a*) Will Government be pleased to name the breeding centres, if any, under Government control in the different provinces of India where cows in towns and cities going dry may be sent and kept until such time as they begin to give milk again?

(*b*) Have Government taken any steps to reduce the railway freight for transit of such cows to such centres? If not, do they propose to take any?

Sir Frank Noyce: (*a*) There are no such centres.

(*b*) Does not arise.

APPOINTMENT OF INDIANS TO THE INDIAN CIVIL SERVICE AND OTHER SERVICES.

235. **Mr. B. Sitaramaraju:** Will Government be pleased to state the percentage of Indians in the Indian Civil Service and the other all-India Services, giving the percentage of Indians to the total strength and maximum percentage of posts intended to be given to Indians, and the rates at which the appointments are at present being filled by Indians to the total number of appointments filled, and the number of years that will be necessary for Indians to attain the maximum percentage of posts open to them?

The Honourable Sir James Crerar: The Honourable Member is referred to the statement showing the progress of Indianisation in the Superior Civil Services which is annually placed in the Library of the House. This gives the number of European and Indian officers in service on the 1st January 1929, from which he will readily be able to ascertain the percentage of Indians in the various All-India Services to the total strength.

As regards the maximum percentage of posts which is aimed at the rate of Indianisation and the number of years in which the maximum will be reached, the Honourable Member is referred to chapter V of the Lee Commission's report, the recommendations in which have been generally accepted and are being acted upon.

CAPITATION CHARGES FOR THE ARMY.

236. **Mr. B. Sitaramaraju:** In view of the statement made by the Secretary of State for India that the incidence of capitation charges on India is under discussion with His Majesty's Government, will Government be pleased to state whether any decision has been arrived at even now?

The Honourable Sir George Schuster: The attention of the Honourable Member is invited to the answer which I gave on the 5th March to a similar question (No. 480) asked by Sir Hari Singh Gour.

WAGES OF WORKERS IN THE CALCUTTA MINT.

237. **Mr. Gaya Prasad Singh:** (*a*) Is it a fact that the workers of the Calcutta Mint are all daily-paid labourers, whereas the clerks and other supervising staff are all monthly-paid employees?

(*b*) Is it a fact that the workers of the Bombay Mint are mostly monthly-paid? Will Government please state the reasons of such differential treatment, and do Government propose to convert the daily-paid workers of the Calcutta Mint to monthly-paid? If not, why not?

(*c*) Is it a fact that the rate of wages of the workers of the Calcutta Mint is much less than that of the Bombay Mint?

(*d*) Is it a fact that the Calcutta Mint works on an average eight months in a year, and the workers are paid for the period they are put to work?

(*e*) Is it a fact that, according to the Mint rule, the workers are considered part and parcel of the permanent staff, and their conditions of service are similar to those of permanent monthly-paid staff, whereas they are not paid wages for the full 365 days?

(*f*) Is it a fact that the Calcutta Mint workers do not get any wages for Sundays and gazetted holidays, numbering 110 days in a year?

(*g*) Is it also a fact that the workers do not get any wages for the last Saturday of every month, on which day the Mint is closed for work?

The Honourable Sir George Schuster: With your permission, Sir, I will answer questions Nos. 237 to 243 together.

Government are obtaining certain information to enable them to reply fully to the Honourable Member's questions. A further answer will be sent to him as soon as possible.

PROVISION OF PENSIONS OR PROVIDENT FUND FOR WORKERS IN THE CALCUTTA MINT.

†238. **Mr. Gaya Prasad Singh:** (*a*) Is it a fact that the Calcutta Mint is purely a Government concern? Is it a fact that there are yet many employees on pensionable service? Is it a fact that, before 1910, the services of all the workers of the Calcutta Mint were governed by the pension rule? If so, will Government please state the reasons why the workers alone have been deprived of the advantage of pension, whereas the system has altogether not been withdrawn? Do Government propose to reintroduce the pension system again? If not, why not?

(*b*) When the pension system was withdrawn, what provisions were made for the workers after retirement? Do Government propose to extend the advantage of Provident Fund and gratuity to them as given in the case of State Railway workers?

HOUSING PROBLEM OF WORKERS IN THE CALCUTTA MINT.

†239. **Mr. Gaya Prasad Singh:** Are Government aware that the workers do not get any house or house allowance, whereas it is extended to the Mint Guards and high paid officials? Are Government aware that, in a busy city like Calcutta, even a hovel cannot be had on a rent of Rs. 8 per mensem in the interior of the city at a distance of five to six miles from the Mint, where the workers live? Do Government propose to consider this acute question of housing problem?

† For answer to this question, *see* answer to question No. 237.

MEDICAL AID FOR WORKERS IN THE CALCUTTA MINT.

†240. **Mr. Gaya Prasad Singh:** Is it a fact that the workers, who live a long distance from the Mint, do not get any advantage out of the doctor in the Mint and that the doctor does not attend to them when they fall sick at home? Do Government propose to make a better arrangement for medical aid?

FINES AND DISMISSALS IN THE CALCUTTA MINT.

†241. **Mr. Gaya Prasad Singh:** (*a*) What is the average fine imposed on the workers of the Calcutta Mint in a calendar year? How is the Fine Fund disposed of?

(*b*) Is it a fact that the workers are often discharged without a month's notice or without a month's wages in lieu thereof? If the answer be in the affirmative, do Government propose to stop this practice?

INDEBTEDNESS OF WORKERS IN THE CALCUTTA MINT.

†242. **Mr. Gaya Prasad Singh:** Is it a known fact that the workers often fall victims of Kabuli and other money-lenders by borrowing money at a very high rate of interest? To save this situation, do Government propose to start a co-operative credit society for the Mint workers?

GRIEVANCES OF WORKERS IN THE CALCUTTA MINT.

†243. **Mr. Gaya Prasad Singh:** Has the attention of Government been drawn to the *Basumati* and *Advance*, dated 21st February, 1930 under the heading "Mint Workers' Grievances", "Direct action contemplated" in which an ultimatum has been given to the Mint authorities that, if their grievances are not redressed by the 7th March, they may resort to direct action any day after the 7th? Is it a fact that the Mint Workers' Union submitted appeals and applications to the authorities during the last two months to secure their sympathy, but to no effect? If so, do Government propose to appoint a committee of inquiry to avoid an unhappy situation? If not, why not?

EVIDENCE RECORDED BY THE PRIMARY EDUCATION COMMITTEE.

244. **Mr. Gaya Prasad Singh:** (*a*) Will Government be pleased to state whether the Primary Education Committee did not record the oral evidence of Pandit Sohanlal or any other witness from Pushkar? If not, what are the reasons?

(*b*) Were all the public institutions and eminent public workers like Messrs. Gouri Shanker, H. Ojha, B. S. Pathik, and Hari Bhau Upadhya approached by the Education Committee to give their views on the subject of primary education in Rajputana?

Sir Frank Noyce: (*a*) The Committee received a written reply from Pandit Sohan Lal to the questionnaire issued by it. He was not examined orally as the memorandum he had submitted was clear and comprehensive and did not require elucidation. No witness from Pushkar was orally examined as, with the exception of Pandit Sohan Lal, no one from that centre had asked for or submitted a reply to the questionnaire.

†For answer to this question, *see* answer to question No. 237.

(*b*) Representatives of all the more important public institutions as well as the more important public workers were furnished with copies of the questionnaire of the committee and asked to submit their views. The gentlemen mentioned by the Honourable Member were not furnished with copies of the questionnaire but it was open to them to ask for a copy and to submit their written replies thereto. The Committee's tour in Ajmer-Merwara was widely known and various persons interested in primary education in Rajputana who had not been furnished with a copy of the questionnaire by the Committee asked for copies, which were furnished to them and to which they submitted replies.

ADMINISTRATION OF PUSHKAR BY THE SHAMLAT COMMITTEE.

245. **Mr. Gaya Prasad Singh:** (*a*) What is the average annual income of Pushkar Fair?

(*b*) What part of that income is spent for the welfare of Pushkar people, and what is done with the rest?

(*c*) What steps are being taken to save the pilgrims from rain and sun, and for the construction of wells in Pushkar?

(*d*) What was the object of the formation of the Shamlat Committee?

(*e*) Is it the fact that the Shamlat Committee spends more money than its income? If the reply is in the affirmative, why is it being maintained? And does its election take place annually? If not, why not?

(*f*) Is it a fact that Pandit Sohanlal's election is being rejected every time? If so, why?

(*g*) Are Government aware of the loss thus incurred and suffered by Mr. Sohanlal and others of his position? Who is responsible for this?

Mr. E. B. Howell: With your permission, Sir, I will answer questions Nos. 245, 246, 247, 248, 251 and 252 together. The information is being collected and will be communicated to the Honourable Member in due course.

LACK OF PUBLIC LATRINES IN PUSHKAR.

†246. **Mr. Gaya Prasad Singh:** Is it a fact that there are no public latrines and urinals in Pushkar, and yet people are prosecuted for the offences?

REPAIRS TO BARAHJI TEMPLE.

†247. **Mr. Gaya Prasad Singh:** Is it a fact that, though the temple of Barahji is auctioned every year, yet it is never repaired? If so, in what work is the income derived from the auction utilised?

CONSTRUCTION OF A METALLED ROAD IN PUSHKAR.

†248. **Mr. Gaya Prasad Singh:** (*a*) Is it a fact that no metalled road has been constructed in Pushkar town, which is only a half mile in length? Has the District Board constructed about eight miles of metalled road from Ajmer to the skirts of Pushkar?

(*b*) Did the people of Pushkar apply to the Commissioner of Ajmer-Merwara, demanding the construction of a road and the establishment of their own municipality?

†For answer to this question, *see* answer to question No. 245.

ESTABLISHMENT OF A DISPENSARY AT PUSHKAR.

249. **Mr. Gaya Prasad Singh:** Is it a fact that the question of establishing a dispensary at Pushkar has been under consideration of the Local Government, since about a year, and yet nothing has been done up to this time, in spite of the peoples' repeated requests and reminders? If so, what is the reason?

Sir Frank Noyce: The information asked for has been called for and will be supplied to the Honourable Member on receipt.

CLEANLINESS OF THE PUSHKAR GHATS.

250. **Mr. Gaya Prasad Singh:** What arrangement has been made to keep the Ghats of Pushkar " clean "? What amount is being spent on it annually?

Sir Frank Noyce: The information asked for has been called for and will be supplied to the Honourable Member on receipt.

MUHAMMADAN POLICE AT PUSHKAR.

†251. **Mr. Gaya Prasad Singh:** Is it a fact that, though Pushkar is a Hindu pilgrimage place with 90 per cent. of its population purely Hindu, all the police and other officers there are Muhammadans and the Hindu Sabha has protested against it?

ACCOUNTS OF THE SHAMLAT COMMITTEE.

†252. **Mr. Gaya Prasad Singh:** Is it a fact that, in case No. 280, Shamlat Committee *versus* P. Sohanlal Sharma, the Sub-Judge has observed, in his judgment on the 7th February, 1930, that the accounts of the Shamlat Committee were not reliable? If so, who is responsible for it?

SHORT NOTICE QUESTION AND ANSWER.

MESSAGE FROM HIS MAJESTY'S GOVERNMENT *RE* COTTON DUTY.

Pandit Thakur Das Bhargava: (i) Will the Government kindly lay on the table the message of His Majesty's Government referred to by the Finance Member in his budget speech and the correspondence between the Government of India and His Majesty's Government in connection with the same?

12 NOON.

(ii) Will the Government kindly state if the budget proposals, at least the Tariff part of them, were placed before His Majesty's Government before they were presented to this House?

(iii) Is it a fact that the British cotton cloth manufacturers have reduced the prices of cotton cloth by ten per cent. in respect of such goods as are contracted to arrive in India in April 1930?

The Honourable Sir George Rainy: (i) I lay on the table a copy of the message of His Majesty's Government referred to by the Finance Member in his budget speech, together with the reply sent by the Government of India and the final message from His Majesty's Government.

†For answer to this question, *see* answer to question No. 245.

(ii) Proposals involving changes in taxation are invariably communicated to the Secretary of State for India before they are presented to this House.

(iii) The Government of India have received no information to this effect.

Telegram from the Secretary of State to His Excellency the Viceroy, dated the 8th February, 1930.

The Cabinet, with reference to proposed increase of Indian cotton duties, resolved, at a special meeting held this morning, that it would not be inconsistent with procedure governing now well-recognised Fiscal Autonomy Convention to make at this stage the following representations to the Government of India :

Firstly, probability that such an addition to duty would be likely to raise price of goods in India itself to great detriment to poorer classes generally in that country, and secondly, probability that such an addition to duty would have a disastrous effect here at this moment, an effect which Cabinet feels sure that you and your Legislature do not desire to create.

From both points of view Cabinet views with gravest apprehension proposed addition to duty and hopes that full weight will be given to above consideration.

Telegram from His Excellency the Viceroy to the Secretary of State, dated the 12th February, 1930.

Please see your telegram of the 8th instant. I have discussed with my Council the Cabinet representation and we are deeply impressed by a message of this nature. Nevertheless we feel bound to adhere to our main proposals.

It must be remembered, first, that we want revenue; secondly, that customs is our chief source; thirdly, that the general revenue tariff stands at 15 per cent., while the duty on cotton piece-goods is only 11 per cent.; fourthly, that Indian industry is suffering from deep depression, and that, as regards Bombay, the mills are approaching a desperate position which may affect the whole future of this important centre of Indian commerce and finance. Moreover in a year like the present when we have to impose heavy new taxation we could not, for revenue purposes, leave cotton duties alone.

As regards raising of the cost to the consumer, we believe that in those goods where external competition is chiefly felt, namely, plain grey shirtings and light sheetings and the cheaper coloured goods, internal competition will in any case keep prices down. As regards bleached goods and the finer qualities of grey and coloured goods which Lancashire mainly supplies a 4 per cent. increase in price cannot be represented as a crushing burden.

As regards the second point in the Cabinet representation, the danger to British interests, we recognise that the possible decline in the consumption of Lancashire goods may be a serious matter, but we are clearly bound to put India's interests first. We also recognise how important it is to India not to antagonise British opinion, and quite apart from this, we are of course concerned at this time to avoid unnecessary injury to British interests. We have carefully considered what we could do in this respect, and while we cannot modify the general application of the 15 per cent. revenue duty, we are prepared to propose to the Assembly that, as regards any additional and temporary protective measures, their application might be limited to non-British goods, and that in these circumstances there should be imposed in addition to the 15 per cent. revenue duty a 5 per cent. protective duty with a minimum of 3½ annas per pound, on plain grey goods against all cotton piece-goods from outside the United Kingdom. We should propose the protective duty for three years only and undertake to have its effects examined by the Tariff Board before the end of this period. We think it unlikely, having regard to the immense preponderance of British imports in the classes of bleached goods, of bordered grey goods and the finer coloured goods, that the additional duty would have any appreciable effect on prices.

In placing our proposals before the Assembly, we shall point out that, so far as we are aware, this is the first occasion on which the considered opinion of the Cabinet has been conveyed in this form to the Government of India and we are impressed with the significance of the precedent so established. We cannot ask the Assembly to commit

themselves to Imperial Preference as a principle, but merely to adopt a particular course which, in our judgment, is consistent with India's interests, at a critical juncture when much may depend on Indian response to British Government's appeal. We shall have to make it plain to the Assembly that while there are grounds for treating plain grey goods exceptionally we could not in any circumstances agree at the present stage and for the emergency purpose which we have in view to an additional protective duty of 5 per cent. on all classes of piece-goods irrespective of the country of origin, since the immediate benefit to the Indian producer would be wholly incommensurate with the burden imposed on the Indian consumer. We desire also to make it clear that, in a matter of this kind, after frankly stating our case, we should desire to elicit the most free expression of opinion from the Legislature, with whom the final decision must rest.

Telegram from the Secretary of State to His Excellency the Viceroy, dated the 19th February, 1930.

The Cabinet has received your telegram and recognising position of India under Tariff Autonomy Convention is precluded from offering any further comments on your proposals.

THE ABOLITION OF DEFERRED REBATES BILL.

APPOINTMENTS TO THE SELECT COMMITTEE.

Mr. Sarabhai Nemchand Haji (Bombay Central Division: Non-Muhammadan Rural): Sir, I beg to move that Mr. B. Das, Sir Cowasji Jehangir, Mr. L. V. Heathcote and Mr. R. K. Shanmukham Chetty be appointed to the Select Committee on the Bill to provide for the abolition of the deferred rebates in the Coasting Trade of India.

Mr. President: You mean that those names be added to the names of the members of that Committee which has already been appointed.

Mr. Sarabhai Nemchand Haji: Yes, Sir. This motion is necessitated by the fact that, since the Select Committee was appointed, three of its members have resigned their seats in the Legislative Assembly, and I have put in the names of Mr. Das, Sir Cowasji Jehangir and Mr. Chetty in their places. Moreover, at the suggestion of the European Group, the name of Mr. Heathcote has also been added to serve in place of Colonel Crawford.

Sir, I move.

The motion was adopted.

THE GENERAL BUDGET—LIST OF DEMANDS—*contd.*

DEMAND NO. 17—TAXES ON INCOME.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to move:

"That a sum not exceeding Rs. 71,99,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Taxes on Income'."

Mr. President (to Mr. Lalchand Navalrai): What question does the Honourable Member wish to raise on this motion?

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): That the income-tax should not exist at all.

Mr. President: But the Honourable Member has mentioned in the motion, "Increase in Income-tax and super-tax".

Mr. Lalchand Navalrai: I will try to speak on both these subjects.

Mr. President: There are other cuts on which the Honourable Member might speak on these subjects.

Cutting down a Lump Sum of five per cent. to balance the Budget.

Sir Hari Singh Gour: (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I wish to try my luck once more at a 5 per cent. cut and if I do not fare better than I did yesterday I shall make no more motions. I just want to point out that the Honourable the Finance Member, in replying to my motion yesterday, either misunderstood me or I have not been able to explain myself correctly to him as well as to the House. When I asked this House to agree to an all-round 5 per cent. cut, I made it abundantly clear that I did not intend, nor, indeed, was an all-round 5 per cent. cut intended, to be a cut specifically under each Demand. The procedure that I asked the House to follow is a procedure which was successfully followed by the first Assembly in the years of deficit. The reason which led the first Assembly to adopt this all-round 5 per cent. cut was that the whole of the Budget had not been placed before the House. The Military Budget, which loomed then large and looms large now, was entirely outside the votable part of the Budget and we, the Members of the Assembly, could not revise nor, indeed, justify each individual item of expenditure, for the very simple reason that, even if we had the time to scrutinise each item of expenditure under each Demand, there would not be the time to go into the specific cuts justifying the cuts under each item. Therefore, the only course that we could think of was to lay down the policy of an all-round cut, and thus force the Government to make a further retrenchment in their general expenditure and to save the country from additional taxation.

Sir, in reply to my argument, the Honourable the Finance Member drew a red herring across the trail and said that, if the House were to allow this cut, the Customs Department would be a loser because certain staff will have to be dismissed or discharged and other reasons of that kind were given. In replying to me, however, he has entirely misunderstood the standpoint from which I approached this question, and those who voted with me yesterday had, I think, no doubt whatever in their mind that the reason why I had tabled that motion and why they went with me into the lobby yesterday was to force the hands of the Government and compel them to effect a general retrenchment in their Central expenditure. I pointed out yesterday, Sir, that this is perfectly possible, because the Honourable the Finance Member has appointed a retrenchment officer, and small retrenchments are expected on the recommendations which he is likely to make. The Honourable the Finance Member further assured the House that, so far as the military expenditure is concerned, the military are themselves now engaged upon the task of retrenching their expenditure. Consequently, the possibility of having some retrenchment in the near future is absolutely certain. As to what would be the amount of the retrenchments made under these two heads is a matter of conjecture, but let us hope that the retrenchments effected

[Sir Hari Singh Gour.]

both by the military and in the civil departments would suffice to balance the Budget.

My second point was this. I pointed out yesterday, and this point has been borne out by actual facts, that some of the additional expenditure is due to abnormal causes, not permanent but abnormal causes, due to the depression of world trade, and certain expenditure which is not of a recurring character. I said that, on that ground, this House would not be justified in permanently adding to the taxes of the country. I have a small book here entitled, "Statement showing additions and reductions sanctioned by the Governor General in Council in the non-voted grants for the year ending 31st March 1930". This book has been supplied to Honourable Members. Now, if Honourable Members would only turn to the pages of this small book, they would find that under the various heads mentioned in this book, there was over-budgeting, and Honourable Members know that, in various departments there is a practice of over-budgeting. If we are to make this cut of 5 per cent., the result will be that all these departments will apply their minds to the various heads under which they have asked for additional expenditure and there will be a general revision. In the Simla Session, if they are not able to make a five per cent. cut under one head, but are able to make only a two per cent. cut under one head, they can come back for a supplementary grant. That is what they did in the first Assembly. But some of my Honourable friends adorning the Nationalist Benches, some of my Honourable friends who follow Mr. Jinnah and some of my Honourable friends who form Members of the Central Muslim party yesterday abstained from voting because they were not quite sure as to what they were voting for. If they would only go into the lobby today, they will carry the motion and they would be entering a united protest against the increase of taxation, which is wholly unjustifiable in the circumstances of this year. I, therefore, ask, Sir, once more that the elected Members of this House should support this motion.

I have one more word to say in reply to my Honourable friend, Sir Hugh Cocke. He is, Sir, the author of the motion in favour of retrenchment. He pressed for a Rs. 100 token cut to force the hands of the Government to make all-round retrenchment and when the Government plainly asked him, "Are you pressing this motion, we are doing our best"—they always do their best and they never do anything else—he said, "No, I am going to press my motion", and this House went with him into the lobby and carried the motion. In view of the policy which this House has adopted, I ask this House, once more, to re-affirm that policy, by forcing the hands of the Government to make this all-round cut in the expenditure. Some of my Honourable friends say, "Five per cent. is too much, make it three per cent."; some others say, "Make it two", while some others say, "Make it one". I have already pointed out that, by making this five per cent. cut, this House does not stand committed to a five per cent. cut under every head, but what it does stand for is that there must be an all-round reduction of expenditure, and that the Government must revise their Demands under each head, and when they come to the Simla Session, they must tell us as to how far they have been able to retrench their expenditure. I hope that, if this House passes this motion, it will save the country from additional taxation and at the same time it will force the Government to revise their Budget.

One more word and I have done. I wish to point out to this House that the Honourable the Finance Member has told you, in answer to the speeches from various quarters in this House, that he is not in a position now to adopt or to recommend any change of policy. As regards military expenditure, I submitted to this House a few days ago, and I wish to recall what I said, that the fact that the constitutional changes are impending is no reason whatever why the Government of India should not have forced the hands of His Majesty's Government during the last ten years to give effect to the united wishes of the Members of this House with which the Government of India had concurred. Sir, as I pointed out in the first Assembly, a series of Resolutions was moved, and the whole question had been gone into by a special Committee, and this House even affirmed that the Army in India must be kept primarily and solely for the defence of India. That was the view which prevailed with the Government of India, and I have said, and I repeat it, that that view has been overruled by the Home Government, and the Home Government say, "Oh! no, we will not keep your Army for your own purpose, that is a very selfish policy for you to pursue. That Army must be kept as part of the Imperial forces". My submission is that it is in consequence of that policy that they are now adding an air squadron, and that they are having re-equipment and mechanisation of the Army. I pointed out, Sir, that a distinguished soldier contributed an article, from which I have quoted in my note as a part of the Report of the Indian Central Committee, that the mechanisation of the Army is by no means necessary as an integral part of the Indian Army, if its purpose is limited to the defence of India. I submit, therefore, that the mechanisation and the re-equipment of the Indian Army must be primarily and solely for the purpose of the defence of India. That, I submit, being the point of view which the Government of India have taken,—and I have no doubt that they still take that view—and as a matter of fact if they were free people, if they were free to vote, they should vote with me rather than vote against me—that being the view of the Government, the least they can do is to keep quiet and allow this motion of mine to be carried.

Dr. A. Suhrawardy (Burdwan and Presidency Divisions: Muhammadan Rural): They are all quiet.

Sir Hari Singh Gour: I, therefore, once more, appeal to my Honourable friends—those who voted with me and those who wavered and lingered—to combine in seeing that this motion is passed today. Sir, I move.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Sir, I was one of those who lingered and hesitated yesterday and did not go into the lobby, but however much I may sympathise with all my Honourable friend has just stated, I intend to go into the lobby against him. I will tell you the reason why. Sir, we are very irresponsible on this side, I admit—perfectly irresponsible; we do exactly as we please knowing full well that the cut can be restored. But I really do not see the necessity of making ourselves more irresponsible than we really need be. I would sympathise with my Honourable friend to the extent of going into the lobby with him, if he would tell us what is the amount of the cut he requires in the whole Budget. (*An Honourable Member*: "Five per cent.") Five per cent. would lead us into crores. (*An Honourable Member*: "That

[Sir Cowasji Jehangir.]

is not what he means.") Oh, yes. What he means is this. He is moving a five per cent. cut under each Demand as it comes up, knowing full well that he will not be able to move a five per cent. cut on each and every Demand as it is presented in the Budget, for lack of time. He would then leave it to Government to distribute whatever reduction this House may make in the Departments as they think best, by coming up with supplementary Demands at another Session. Sir, therefore, we must know what percentage of the whole cut we are making on each Demand. We must know the amount of the whole cut my Honourable friend desires this House to make. We must know what is the gap that will be left ultimately to be filled up by taxation when the Finance Bill comes up. All these preliminaries have been left out by my Honourable friend, for which I do not blame him one bit, Mr. President, for he had no time. But I do blame him to a certain extent for having gone in for this method without consultation. Perhaps he had not the time. All these things require time, two, three, or even four days, before they can be matured and brought to the House after mutual consultation on all sides. You must be able to make up your mind definitely what is the cut you propose to effect and how you are going to effect it, and then tell the Government clearly. "This is what we propose to do; we want 2 crores or 2½ crores or whatever it is in the whole Budget". You tell Government clearly that you intend to do it by moving a cut out of each Demand as it is brought up for discussion. You know very well, Mr. President, that we have not the time to discuss all the Demands as they come up, and therefore that method is not possible in the present circumstances. I intend to go into the lobby against my Honourable friend, not because I am not in sympathy with his great desire for retrenchment, but because the method he has adopted does not seem to be sound and practical; and I trust and hope that, when the next Budget comes up, he will be here to evolve a better scheme than the one he has placed before us, which I consider is immature and lacking in consideration.

Pandit Thakur Das Bhargava (Ambala Division: Non-Muhammadan): Sir, I am not impressed by the speech of the gentleman who preceded me. I think that, if the only defect in the proposal of Sir Hari Singh Gour is that it is not methodical, that is not a good ground for not going into the lobby with him. The only point that has been made by the previous speaker is that, while agreeing in principle with Sir Hari Singh Gour and believing that retrenchment is necessary, the Honourable Member thinks that, as the method adopted by Sir Hari Singh Gour is not such as would give Government the proper convenience in adjusting its own Budget, he cannot walk into the lobby with him. The second ground advanced by him is that it would not show much of responsibility in any Member who goes into the lobby with Sir Hari Gour even if he accepts the proposal.

Now, Sir, so far as responsibility is concerned, may I ask the Honourable gentleman who preceded me, whether he thinks that Government have shown any sense of responsibility? Did Government take this side of the House into their confidence while framing the Budget, or while going in for the various items which are regarded as non-votable in this House? So far as the question of responsibility is concerned, Government have to blame themselves if their attitude is regarded on this side of the House as

irresponsible. If it is the general sense of the House that increased taxation should not have been levied and that for the normal expenses of Government recourse should not be had to increased taxation, it is the duty of every Honourable Member to support this cut. That this particular cut of 5 per cent all-round has come under the head Taxation makes no difference in my opinion, because, after all, it is a token cut, as has been explained by Sir Hari Singh Gour. If particular Departments affected by this cut cannot meet their expenses by cutting their Demands all-round to the extent of 5 per cent. they can come in subsequently with a supplementary Budget, and therefore there need be no apprehensions on this score.

So far as the question of retrenchment in respect of Income-tax is concerned, I have one thing more to say. Sir, I do not grudge any increase in income-tax if fat incomes of Rs. 15,000 and over are taxed; but the question is what for are we taxed? Are we being taxed for the purpose of introducing compulsory education into this country? Are we being taxed for the purpose of reducing the price of postcards or for any other popular measure? We are being taxed now because the Government of India cannot meet their normal expenses. In a country like India, where the average income is very little, where every person who tills a *bigha* of land is being taxed by way of land revenue, it is too much to come in with a fresh measure of taxation; and if this cut of Sir Hari Singh Gour succeeds to the extent of 5 per cent., I think the taxpayer will feel some sort of relief. I therefore support this cut whole-heartedly.

Sir Darcy Lindsay (Bengal: European): Sir, my Honourable friend, Sir Hari Singh Gour, may be a most excellent lawyer, but he is not a tactician. Otherwise he would not have ventured to bring forward his cut of 5 per cent. in two such essentials as the Customs Department and Income-tax. When a similar cut was brought forward in 1922, I can remember speaking on it and assuring the Mover that my pocket was in entire sympathy with him, but my common sense was the other way, and on the ground that the more the expenditure in the Department, the greater the income which will be received from the general public. Whenever papers come before us in the Standing Finance Committee for an increase in Income-tax establishment, I think I am correct in saying that they meet with the most sympathetic treatment at our hands, because we consider the expenditure as absolutely necessary in order to collect the income-tax. Now, Sir, the result of Sir Hari Singh Gour's proposal of a cut of 5 per cent. would mean, and must mean, a diminution of the very staff that, at least this year, we have sanctioned, and by so doing it will mean a loosing up of the whole system and the escape of parties from paying their income-tax. On these grounds, Sir, and very strong grounds, I hope the whole House will oppose the proposed cut of 5 per cent.

Mr. Vidya Sagar Pandya (Madras: Indian Commerce): Sir, I rise to support the motion of my Honourable friend Dr. Sir Hari Singh Gour, and I would appeal to the House to judge the question on its own merits and not be prejudiced simply because it comes from the Hon'ble Dr. Sir Hari Singh Gour. There is a certain amount of prejudice against him, partly for joining the Simon Commission Indian Central Committee, and partly for transferring himself from this side of the House to the other. So I wish the House to discuss and consider the question on its own merits and not be carried away by any personal prejudice against any individual Members.

[Mr. Vidya Sagar Pandya.]

Then regarding the criticism of the method which has been made on this side, if I am not wrongly informed, the Honourable Dr. Sir Hari Singh Gour did make an attempt and did meet the Leaders of the various parties to consider his amendments, and he pleaded very earnestly with them that, when the House was first constituted in 1921, a similar method was adopted and it was successfully carried out. But unfortunately, in these days, when there is a certain amount of conspiracy between the leaders of parties on one side and Government on the other, it is very difficult for a Member who is not attached to any particular group or party, to express his views in such matters. As such, if for no other reason, I would support the Honourable Dr. Sir Hari Singh Gour as a protest against the tyranny of the leaders of the various parties in joining in conspiracies in so many matters; and I am sorry, Sir, that, in that matter unfortunately, they have got the support of the President also.

Mr. President: Order, order.

(*Cries of* "Withdraw, withdraw.".)

Mr. Vidya Sagar Pandya: No, I assert . . ..

Mr. President: Order, order. The Honourable Member is asked to withdraw that remark at once.

Mr. Vidya Sagar Pandya: Very well, Sir; then I shall withdraw it.

Now, if the proposal had been accepted by the party leaders when it was made by the Honourable Dr. Sir Hari Singh Gour, we would have saved all this unnecessary discussion in the House, and we could have balanced the Budget by this cut of 5 per cent. But as the different party leaders wanted to press their particular items and impress on the Government the desire to make retrenchment in certain heads, they sacrificed the main proposition of the Honourable Dr. Sir Hari Singh Gour, and the result was, they lost that entirely, and now if they will not support Dr. Sir Hari Singh Gour's amendment, they will be losing yet another opportunity of making an effective cut, and thus saving us from extra taxation. Sir, I support the Honourable Dr. Sir Hari Singh Gour, and again request the Members of the House not to be carried away by any prejudice in the matter.

Sardar Kartar Singh (East Punjab: Sikh): Sir, I strongly support this cut. Taxation is already telling on the people and everybody is feeling the pinch of direct and indirect taxation. We want Government to retrench. The people are becoming poorer and poorer every day. How can we make the Government retrench unless we pass this cut? They are proposing new taxation, and when the Finance Bill comes before us and this Budget is passed in this present form, with what face will we be able to oppose the Finance Bill, unless we make certain cuts now and we can show that they can reduce their expenditure in this way? So the best way to oppose the Finance Bill would be to pass these cuts now and to tell the Government that their expenditure is not as much as they propose and they could reduce their expenditure and should not propose fresh taxation. I submit that the time has come when everybody feels the pinch of this taxation, and the time has come when we should whole-heartedly support this reduction in the expenditure. We have not been party to the framing of the Budget, and to this extent, it is not our duty to point out what reductions can be made.

It is for the Government to make reductions and Government should take the hint from our speeches, that we do not agree to further taxation, and it will be for the Government to reduce their expenditure without increasing the taxation. Therefore, whether the cut is moved by Sir Hari Singh Gour or by anybody else, we are for this principle that we will never agree to further taxation. The Government should make it a point to reduce taxation and to reduce expenditure. The expenditure is growing day by day and cannot they think that they can reduce it, and should they make up that expenditure by further taxing the people? Therefore, I submit that this cut should be passed, and everybody on this side of the House should support it.

Mr. M. K. Acharya (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, I was very glad that my Honourable friend, Mr. Vidya Sagar Pandya, spoke very frankly, although I know that his voice like the voice of anybody else who speaks equally frankly may be only a voice in the wilderness. Yet it is sometimes refreshing to find people who will speak the bare truth frankly, and I certainly appreciate what he has said with regard to the way in which there seems to be some conspiracy going on between the party leaders, or the so-called party leaders, and the Government Benches on many matters. I am also glad that he made this earnest request, that the matter before the House should be judged on its own merits; and here again, unfortunately I must in truth say that there does not seem to be a disposition this year—during the past six years that I have been here I believe the charge could not be brought against the non-official Members to the same extent as it can be brought this year—that there does not seem to be a disposition to judge each question before the House on its bare merits. I hope, Sir, that the electorate will take good note of this, will demand an explanation of the elected Members as to why they should not, on many issues like the one before the House just now, where the interests of the vast majority of the country are involved, why they should not be all in their places and should not strenuously oppose Government in their proposals to increase taxation on the common people. I see a very thin House, so far as the non-official side is concerned, and I should not be surprised if, when the vote is taken on this, the Government win. Therefore, I hope it will be realised by my non-official colleagues, who have a very serious duty to perform in this matter—almost a religious duty—that we cannot afford to let the Government have their own way, at any rate so far as additional taxation is concerned.

Now, Sir, with regard to my Honourable friend, Sir Cowasji Jehangir—I am glad his heart was with my friend, Sir Hari Singh Gour, but his head seems to have been a little puzzled as to the great responsibility which he seems to have felt in the matter—probably he will have to be longer in this House to know that we have no responsibility at all . . .

Sir Cowasji Jehangir: I have already said that we are irresponsible.

Mr. M. K. Acharya: Therefore, it is the Government that must come forward and consider this question seriously and take two or ten or even twenty days for that matter. If they take the matter seriously, and definitely bring forward proposals for reducing the whole Budget expenditure, we are ready to sit any number of days. The matter is entirely in the hands of the Government. We say that we do not want additional taxation any further, and in order not to have the additional taxation, we say there is

[Mr. M. K. Acharya.]

a practical proposal, namely, that the expenditure should be cut down by 5 per cent., and necessarily as a corollary, 5 per cent. expenditure all round. I cannot understand how this is impracticable at all. I quite realise it will have to be worked out. That is exactly the Government's business. They are here for that very purpose. They are paid for it, and it is not Sir Hari Singh Gour's business to do it. Therefore I cannot understand my friend, Sir Cowasji Jehangir, when he said that the proposal is good but there are difficulties of many kinds and so on. That is exactly what we are prepared to meet as far as we can. We want the Government to work out in all seriousness, so as to avoid additional taxation. I was a little amused when I heard Sir Darcy Lindsay say something about the conflict between his pocket and his discretion or common sense. I always thought that Sir Darcy Lindsay and others of his class had always their common sense, nay their consciences in their pockets. (Laughter.) In the matter of income-tax at least all the capitalists all the world over never find conflict between their conscience and their pockets. However, Sir Darcy Lindsay is evidently a very rare exception, and I certainly pay him all honour for it, if he is really an exception; if he is always prepared to discuss every question in the same way without letting his pocket or the contents of his pocket interfere with his common sense and conscience. I cannot understand what there is for such a conflict with common sense in Sir Hari Singh Gour's proposal. Some very great writer has said, and probably Sir Darcy Lindsay would again say that common sense is a very uncommon thing. Anyway what he calls common sense may be the reverse from our standpoint; for to me it seems to be quite a common sense proposal that expenditure all round should be cut down by 5 per cent., and as my friend has already pointed out, it is not a new proposal either. It seems that in 1921, when some of us were not here, the same proposal was made.

Sir Hari Singh Gour: It was in 1922.

Mr. M. K. Acharya: Then the Government probably had some good reason to be sympathetic in their attitude towards proposals coming from non-officials. The proposal was made, the proposal was accepted, the proposal was worked out, the Budget was revised, and there was a reduction of almost five per cent. all round. What is the great difficulty today in doing that which was done in 1922? I put that question to the Finance Member, and I hope he will give us an answer. No doubt he wants more money, according to his estimate, but the estimate can be revised. It was revised at one time, by his predecessor in 1922, because perhaps in 1922 he could not have been sure of his majority in the House. Then also the Finance Member could have said that he had taken all possible pains, that he had exhausted all his talents for balancing the Budget or minimising expenditure, and that he was asking for what was absolutely necessary. That is just what I think the Finance Member today says, that every possible item has been carefully looked into already, and will be again looked into; that some special officer will be appointed, and so on and so forth. All that could have been said in 1922 also, had the then Finance Member been sure of a majority of votes in the House in favour of whatever additional taxation he then proposed. Probably, if I were in the Finance Member's place, I too might be tempted to make the same pleas, put forward the same excuses. All these are very old excuses to make such as that the Finance Member has done everything he can and he still wants more money, and must have it by additional taxation. Well, let him take Sir Hari Singh Gour into his confidence and let them both sit together for a week and see whether they can or cannot reduce under almost every item of expenditure without any Department losing in efficiency. That is the whole point. Therefore, Sir, where there is a will, there is a way. When it was said that it was impossible, in the present circumstances, to accept Sir Hari Singh Gour's proposal, I was wondering whether that could be really true. I say there is nothing impossible under the sun. It is very possible, and it is a very easy thing, and I think it would be a very good thing too in view of what is coming. It will be a very desirable thing if Government do not go about proposing additional taxation in a year when probably there will be many exceptional factors to reckon with. For these reasons I should strongly support the motion of Sir Hari Singh Gour, and I think I must join issue, draw swords, though I am not a knight, with Sir Darcy Lindsay, who predicted very disastrous consequences as the result, as the inevitable result, of adopting Sir Hari Singh's proposal. Nothing disastrous will happen by reducing expenditure by 5 per cent. Therefore, I think, Sir, the whole matter is very simple. We, the elected non-official Members of this House, owe a duty, whatever our personal views may be, whatever the vested interests may be on this or that side of the House; and that duty demands that we should go and vote with Sir Hari Singh Gour. We must demand that expenditure should be reduced by 5 per cent. under this Department and under every other Department. And in discharge of that duty, I must stand with Sir Hari Singh Gour.

Mr. K. V. Rangaswami Ayyangar (Madras: Landholders): Sir, I am afraid, a great deal of influential support has been given to retrenchment and to reductions under the Departments of Customs and Income-tax. I see some other motions also for reductions of staff under the Postal Department. I am afraid, Sir, I cannot lend my support to these reductions in the civil Departments. I do not think that there can be any reduction of either the lower staff, or the upper staff or any other staff. The other day we heard the Finance Member making the statement that the upper staffs are all overworked. The subordinate branches of the civil Departments are not at all overstaffed or overpaid. We have not forgotten the grim tragedy enacted a few years ago by the Inchcape Retrenchment Committee, and it may be within the remembrance of the House that, when reductions of about Rs. 20 crores were suggested, we were under the delusion that a corresponding amount of Rs. 20 crores would be reduced from our taxation. But, Sir, not a pie was reduced in our taxation. On the other hand, they increased taxation. Sir, we are now told that a special officer has been deputed to go into the question of reduction of expenditure. The House would have greater confidence had an Indian been appointed as retrenchment officer. Sir, we are not wanting in Indian officers of high capacity. Mr. Rama Rau is just now coming back from his duties on the Statutory Commission. Had he been appointed instead of Mr. Jukes, an officer who is going to retire, we would have the utmost confidence in the retrenchments that might be proposed. I just now reminded the House, Sir, of what the Inchcape Retrenchment Committee did. They proposed very great cuts in the subordinate Indian staffs, and it may be within the remembrance of the House that many Indian people were deprived of their employment on

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account of the Inchcape cuts. Also, Sir, I quite agree with my Honourable friend, Sir Cowasji Jehangir, in pointing out that these 5 per cent. or 6 per cent. cuts, if accepted by this side of the House, will not be a practicable proposition, and I oppose this motion of the Honourable Sir Hari Singh Gour.

Mr. N. C. Kelkar: (Bombay Central Division: Non-Muhammadan Rural): Sir, I rise just to offer one argument against the line of argument put forward by Sir Cowasji Jehangir. He seemed to base his whole argument upon this, that he sympathises with the object of the cut, but wants the cut to be made if possible in some other way, as the particular method chosen by Sir Hari Singh Gour is somewhat out of fashion. That seemed to be his argument. But directly after that the precedent of five or six years ago was mentioned. It was mentioned in detail, and I need not therefore go into that. That precedent should prove that the particular method chosen by Sir Hari Singh Gour is not anything extraordinary. I will further say this, that the very form in which the Demands are put before us necessitates following this particular method and no other. Here are 98 Demands put before us, item by item. I do not see here a Demand numbered 99, representing a Demand for the whole total, made up of all the items under the 98 heads. If such a Demand were on the paper, perhaps, when that total Demand was made, then Sir Hari Singh Gour could have moved a 5 per cent. cut, on that. But there is no such Demand before us, as Demand No. 99, giving the total of all the Demands that have gone before. The only way for him to make a cut therefore is to make such a cut somewhere in the preceding and foregoing items. Then the question comes up whether the cut is on merits or whether it is a round or lump cut. I think it is obvious that lump cuts are a recognised thing. In the Budget itself we sometimes find amounts put down as rounding up figures, that is, lump provision. Also when expenditure is provided for, certain lump sums are provided, and if I remember aright, the Inchcape Committee not only directed that certain lump cuts in expenditure should be made under certain heads, but also a round lump cut on the whole expenditure. I do not know exactly what that figure was. If I am wrong I may be corrected . . . .

Sir Hari Singh Gour: Twenty crores and some lakhs.

Mr. N. C. Kelkar: Therefore it appears to me that such a lump cut is not an out-of-the-way remedy certainly. The object of the lump cut is to cut down expenditure to that extent and to call upon the departments concerned to cut their coat according to the cloth that has been provided for them. It may be said that we may follow the alternative method of defeating or rejecting some of the items in the Finance Bill, and thereby reduce the supplies to Government, so that they may be indirectly compelled to cut down their expenditure. But we can only reduce the revenue and not directly cut down the expenditure; the two things are not the same. And even supposing we defeated or rejected some of the items in the Finance Bill, does that not amount to a cut in the lump? For, after all, a cut made by reducing the revenue has absolutely no bearing on the merits of particular departments. Therefore, whether we reject or defeat any particular items in the Finance Bill, or make lump cuts, I think the result is practically the same and I should

say that the proposal of Sir Hari Singh Gour ought not to be rejected by my friend, Sir Cowasji Jehangir, on that ground. He says he has sympathy, but his common sense does not permit him to vote for the thing for which he feels sympathy. It would be a very strange thing to say that, because the logical conclusion of that is that my friend, Sir Coswasji Jehangir, sympathises with a thing which is not based on common sense, or which is not justified by common sense. Does he admit that he sympathises with things which are not borne out by common sense? He does not do that certainly. There is a certain recognised distance between the heart and the head in the anatomy of man, but I never thought the distance was so great as seems to have been made out by Sir Cowasji Jehangir. Probably his heart is shifting from its proper place to somewhere else—I do not know whether it is into his pockets, or whether it has gone down into his feet.

Mr. Lalchand Navalrai: Sir, I have heard the reason that has been given by my Honourable friend, the Knight from Bombay Sir Cowasji Jehangir, in opposition to this motion. Sir, I support the Honourable the Mover of this motion. The reason that was advanced in opposition was that it will not be methodical to reduce every Demand by 5 per cent. Sir, I cannot understand why it cannot be methodical. If a five per cent. cut is made in this Demand under the head of Income-tax, it would serve as an example to show that a five per cent. cut could be made in every Demand that has been made in this House. The amount that is asked for under this Demand is Rs. 71,99,000. Five per cent. of this would come to Rs. 3,59,950. May I ask why it is that this cut would not be methodical or proper, especially when I am ready to show to the House that this increased income-tax is asked for, not to meet a deficit, but with a view to keep it as a surplus only? Now, Sir, my main ground is that the income-tax is an odious and unpopular tax. History shows that, in India, this income-tax has from time to time been very unpopular. History further shows that it had been abandoned many a time under pressure of public opinion.

Mr. President: The Honourable Member might reserve these general observations till the Finance Bill comes up.

Mr. Lalchand Navalrai: Very good, Sir. I shall do that. Then I come to the question whether there is any justification for raising the income-tax on the merits as shown by the Finance Member. It has been said that there is a deficit in the Budget, and on that account 70 lakhs of rupees are required to be raised in this way, by a rise in the income-tax of one pie on incomes of Rs. 15,000 and over, but the facts show that there is no deficit which requires this sum of 70 lakhs. To start with, the deficit having been shown, the question—which I am not at present going into in detail—is as to who is responsible for it. I find unwarranted predictions and professions were made by the Honourable Sir Basil Blackett in this House for surplus Budgets and he is now responsible for the present gap in the Budget. The deficit is shown to be 440 lakhs. Now, Sir, let us see how it is proposed to be met with. The levy of the proposed tax on cotton piece-goods is expected to bring in 125 lakhs, silver 100 lakhs, kerosene 35 lakhs, and sugar 180 lakhs. Total it up, Sir, and see how much it comes to; it comes to exactly 440 lakhs. Why is it then that 70 lakhs more are going to be assessed by increase in income-tax? It is said then that they are needed for the purpose of keeping them as a surplus. Is it not a fact that, in 1928-29, and 1929-30,

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there were no surpluses in the Budget at all and yet they were carried on? There is thus no necessity for it, and why should this odious tax be sought to be raised? Why should the popular mind be disturbed? I submit, in these days, it will simply be annoying the public to increase this tax. With these words I support the motion of Dr. Sir Hari Singh Gour, that a five per cent. cut be made in the Demand under the head "Taxes on Income".

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Sir, I did not intend to take part in this debate, but in view of the interest which has been evoked in the course of the debate, I feel that I cannot give a silent vote. I am for every possible reduction that can be made in expenditure, and my constituency has been pressing upon Government the necessity of economy in expenditure. I however feel that that expression of opinion from this side of the House has been sufficiently emphasised on the motion which was pressed to a division—I mean the motion moved by my Honourable friend from Bombay, Sir Hugh Cocke. He wanted a committee composed of non-officials to be attached to the officer whom the Finance Member promised to appoint. Several Members who voted for that motion did not approve of a committee being associated with the officer at this stage, but voted for Sir Hugh Cocke's motion because they desired to impress on the Government of India that they wanted an inquiry in which every possible retrenchment could be made in expenditure. Now, Sir, this motion of Sir Hari Singh Gour seeks to take the House one step further; he now desires that a five per cent. cut should be made under every head of expenditure now and today. We have been told by responsible persons like my friend from Bombay, Sir Cowasji Jehangir, that his side of the House is irresponsible. That has been re-echoed by others on various sides of the House. I do not know in what sense my friend, Sir Cowasji Jehangir, meant that, but I feel this, that what Sir Cowasji Jehangir could have meant was that he had no responsibility in framing the Budget. I am sure that neither Sir Cowasji Jehangir nor even my friend, Mr. Lalchand Navalrai, would like it to be conveyed that they vote in this House in a manner which is irresponsible. I submit that even my friend, Mr. Vidya Sagar Pandya, would not like anybody to say that he votes in a manner which involves no responsibility at all. I feel that everybody from this side of the House, who either expresses an opinion or gives a vote, does so after being convinced that what he is voting for is feasible and desirable and can be carried through.

Now, I wish to ask if my Honourable friend, who moved this motion, has made out a case that there is room for a five per cent. reduction under the head Income-tax on the expenditure side. It is all right for Sir Hari Singh Gour to say that this House did that in the year 1922. And my friend Sir Cowasji Jehangir may remember that when he was a member of the Bombay Government in 1922, he also agreed to a lump cut of Rs. 60 lakhs which was distributed by the Government of Bombay among the various departments. But, Sir, between 1922 and 1930, there is a tangible difference. It is not merely the period of years; it is the fact that, in 1922, we were at the top of the boom period, when everything had gone up and when even the Government departments, under the most careful supervision, had tended to expand unduly. I therefore feel that a 5 per cent. cut effected in 1922 can be said to be extremely modest in comparison to the 5 per cent. cut which is proposed today

1 P.M.

I think, after the inquiry which the Honourable the Finance Member has promised, and after the report of the officer is placed before the House within the next three or four months, we can consider this proposal, and unless my friend Sir Hari Singh Gour can point out that, under the head of Income-tax expenditure, certain officers are not required, or certain emoluments which are now given can be usefully reduced without impairing the efficiency of that department, I feel that it will be in the highest sense irresponsible on our part to press this motion.

Mr. M. K. Acharya: No.

Sir Purshotamdas Thakurdas: I wonder who said "No".

Mr. M. K. Acharya: I said it.

Sir Purshotamdas Thakurdas: I am not sorry, Sir, that Mr. Acharya said "No", because "capitalists" as he is fond of calling them, whom he runs down, may escape income-tax. I do not very much mind his "No". Mr. Acharya asked if the heavens would fall if a 5 per cent. cut were made. According to Mr. Acharya, the heavens were going to fall only when the Sarda Bill was enacted. I must leave Mr. Acharya to his logic.

Mr. M. K. Acharya: Very bad logic.

Sir Purshotamdas Thakurdas: It is a little better than yours.

Mr. M. K. Acharya: I expected better from you.

Sir Purshotamdas Thakurdas: If you interrupt me in this way, you cannot expect anything better than what you deserve from me. Now, Sir, we all want retrenchment. All that we have not is patience. Here is the Finance Member who says that he is going to appoint an officer and to place his Report before the House. He wants four or five months, and until then the House should have patience.

Sir Hari Singh Gour: Will he then remit taxation?

Sir Purshotamdas Thakurdas: I think the Finance Member will give a reply to his question. I can't say what he is going to do. All that I do know is one thing, that when an officer of the Government of India in the position of the Honourable the Finance Member, in response to consistent demands from this side of the House, makes a definite statement on the floor of the House, what is wanted from this side of the House is to watch for the next stage and to see what he has been able to achieve. It is wrong to press this motion at the same Session and to compel the impression, which I am sure is not warranted, that this side of the House does really at times take irresponsible action. Whilst, therefore, I am for all possible economies, I also feel that the Member in charge should be given an opportunity to examine for himself what is feasible and to tell us what can be done, and if after that Report, we are satisfied that either the inquiry has not been complete or it has left a few loose strings, this House will be quite justified in pulling those up and in pressing our motion. In the meantime . . . . .

Sir Hari Singh Gour: Pressing what motion?

Sir Purshotamdas Thakurdas: Pressing the motion for retrenchment. There will be supplementary grants.

Sir Hari Singh Gour: Are you going to wait until . . . .

Sir Purshotamdas Thakurdas: I think you understand what I am recommending. All I say is that we must wait to see what is feasible, unless Sir Hari Singh's idea is to put forward something which will appeal to the gallery which, I am sure, is not his idea.

Now, Sir, a good deal has been said especially by my friend Mr. Vidya Sagar Pandya regarding what he was pleased to call a conspiracy between the leaders of parties and the Government. On inquiry of the leader of my party, I understand that Mr. Jinnah was approached by my friend Sir Hari Singh Gour regarding his motion before the House only yesterday, and that there has been no conference between him and the Members of the Treasury Benches except on the question of the cotton duties. If, therefore, my friend Sir Hari Singh Gour feels that others on this side of the House have not been able to see his point of view, it is not because they were either reluctant or unwilling to do so, but because he did not approach them. Sir Hari Singh Gour did mention this to me very soon after the Budget was presented, and I think he will bear me out when I say that I told him that, if he could get the 5 per cent. cut all round, none would be more happy than myself, but I also asked him, at the same time, if he could find out from Government if they were willing to make it in the Military Budget. I wonder if, in 1922, the Assembly was able to do it by negotiations with Government . . . .

Sir Hari Singh Gour: I absolutely and emphatically deny it. The Government passed it and carried it over the head of the Assembly . . . . .

Sir Purshotamdas Thakurdas: You cannot deny my conversation.

Sir Hari Singh Gour: I had no conversation whatever, Sir.

Sir Purshotamdas Thakurdas: With me?

Sir Hari Singh Gour: No, not in 1922.

Sir Purshotamdas Thakurdas: I was wondering whether he was denying the conversation he had with me when he approached me about it. I then told him to go round and see the other party leaders and find out from them what their view was. I find that, as far as Mr. Jinnah is concerned, Sir Hari Singh Gour approached him and talked to him only yesterday. I do not know when he talked to Pandit Malaviya or to my friend Sir Zulfiqar Ali Khan or Sir Darcy Lindsay. I do think, however, whilst my friend Mr. Vidya Sagar Pandya may have some grievance regarding what may have taken place last month in connection with another matter, it is a little hard and unfair on his part to say that there has been any "conspiracy" between any Members on the Front Benches on this side and the Members of the Government on the other side. If Sir Hari Singh Gour will press motions here without having them thoroughly examined and discussed by Members on this side of the House, whose votes he wants, I am afraid he may continue to have the imaginary grievance regarding "conspiracy" which, I may say, exists more in Mr. Pandya's imagination than in fact.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): Sir, I am almost forced to take part in this debate. Sir, I can assure you and the House and my friend Sir Hari Singh Gour that, so far as my party is concerned, it respects no person, nor does it hate any person in this House. I think my friend, Sir Hari Singh Gour, will admit it in all frankness. It decides on the merits of each question that comes before the House. We

have maintained this principle, and we hope to maintain it as long as the Independent Party stands on the floor of this House. Therefore, Sir, if there is any feeling in the mind of any Honourable Member that, because this motion is brought by my friend Sir Hari Singh Gour and therefore he is not going to get our support, it is entirely wrong. I say the day when we do that, we shall be unfit to sit in this House. We, Sir, want to examine every question on its merits, and honestly to the best of our judgment, either support or oppose it.

Now, Sir, having said so much, so far as my friend Sir Hari Singh Gour is concerned, I would say only one word. I am surprised that my friend Mr. Vidya Sagar Pandya or even my friend Mr. Acharya should suggest that there is any conspiracy between the Government and my party. I am really surprised. At any rate they should be the last persons to make any suggestion of that character. When you make these suggestions, do you not also judge us with a certain amount of prejudice? Is that worthy of you? Should you not ask us, "What are your grounds for not supporting this cut"? Should you not ask us, rather than say, that we have made up our minds in conspiracy with Government. Is that worthy of you? If you ask me what are my difficulties, I will tell you straight and frankly. As my Honourable friend, Sir Purshotamdas, has pointed out, the first time that Sir Hari Singh Gour approached me was yesterday. The implications of his proposal are very serious, although he put it in a manner which seemed as if it was nothing. Let us examine this issue. This House has deliberately expressed its opinion on the cut of Sir Hugh Cocke yesterday. It was this—retrenchment. We forced that down upon the Government, that they did not sufficiently retrench. You passed a vote of censure on the Government. That is what it means in constitutional language. Now, Sir, if the Government understand the meaning of that vote, it means, Retrench, Retrench, Retrench.

Mr. M. K. Acharya: Do they understand it?

Mr. M. A. Jinnah: I think they have got as much intelligence as my friend Mr. Acharya. Now, my Honourable friend Sir Hari Singh Gour's proposal for a cut of 5 per cent. means roughly five or six crores of rupees. Now, Sir, if he had followed up his proposal logically, he would not have said, "Let us wait till the Simla Session; let us wait for the supplementary Demands that may come up". From where will the Finance Member give the supplementary grants if he has got no revenue? Pushed to its logical conclusion, Sir Hari Singh Gour wants a 5 per cent. cut here and now, and when the Finance Bill comes up, he will say, "Reject every proposal for fresh taxation". Is that what you want?

Sir Hari Singh Gour: Yes.

Mr. M. A. Jinnah: Then why do you talk of supplementary grants? Where will the Finance Member get the money from?

Sir Hari Singh Gour: From the Military.

Mr. M. A. Jinnah: Then my Honourable friend had no business to say "Wait". I can quite understand if the House chooses to take that responsibility. 5 per cent. must be cut down in every department. It may be 8 per cent. in some department, 2 in others and 3 in others, but the total should be 5 per cent. I understand that perfectly. The implication is this, that we must have this 5 per cent. cut, and when the Finance Bill

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comes up, we must reject every proposal for taxation. Now, my friend Sir Cowasji Jehangir said it in a manner which made me think that he did not quite realise the implication of it. He thought that we are not responsible here.

Sir Cowasji Jehangir: The constitution makes us irresponsible. That is why we brought that cut on the Executive Council.

Mr. M. A. Jinnah: My friend is entirely wrong. We are not irresponsible in this House. I dissent from that proposition. We owe a responsibility to our people and to our constituencies. Every one of us carries a certain amount of responsibility. Our responsibility is this—that we have to examine every proposal that comes before us and not only express our opinion and offer our criticism, but record our vote with the utmost responsibility that we can command. I am not here merely to go into the lobby on this side or that as I please, according to my whims and fancy. I do not record my vote in this House unless I am convinced for or against the proposition. That is our responsibility. Do you deny that? Are you going to vote here according to your fancy?

Sir Cowasji Jehangir: When I spoke of irresponsibility, I referred to the system. You can make a cut of ten lakhs and the Government will certify it. The irresponsibility consists in the certification. We are irresponsible to that extent. That is what I meant.

Mr. President: Don't make confusion worse confounded.

Mr. M. A. Jinnah: My Honourable friend is getting deeper and deeper into the constitutional position of this House. I am not discussing the constitutional position of this House or of the Treasury Benches or the non-official Members of this House.

Sir Cowasji Jehangir: Then what are you discussing?

Mr. M. A. Jinnah: I am discussing a thing you don't understand. I am discussing this, and I say most emphatically that no man worth his salt can say that I am standing here as an irresponsible man. I have to discharge my responsibility here as much as anybody else.

Sir Cowasji Jehangir: Who doubted that?

Mr. M. A. Jinnah: Therefore I say we have to deal with every question on its merits fearlessly, express our opinions and record our votes, according to our own judgment. Therefore, do not be carried away by fanciful arguments about this 5 per cent. cut. It was made in 1922. You can do that certainly. My difficulty is this. If I endorse this cut and the principle underlying this cut, I must be logically driven, when the Finance Bill comes here, to reject every new taxation that is proposed by the Bill. I am not prepared to take that responsibility on my shoulders and my party therefore cannot give their support to the underlying principle of this cut which my Honourable friend has moved.

The Honourable Sir George Schuster: We have had a very interesting and representative debate, and I think my duty does not call upon me to make a long reply on a subject which has been so fully discussed. I should like to say, at the outset, that, as far as the principle of the motion is concerned, I am myself as whole-heartedly as any Member of this House

in favour of retrenchment. I should also like to say, in justice to the Honourable and learned Mover of this motion, that I quite admit that there may be occasions in which the form of procedure which he has chosen may be the best course to effect the purpose which he has in mind. My only argument against him has been that this is not one of those occasions. Sir, we had another form of action taken only yesterday in this House, and in regard to that I should also like to say that, although the Government, inasmuch as the motion had in a sense the form of a vote of censure, as my Honourable friend Mr. Jinnah has pointed out, felt it necessary to oppose that motion, I am nevertheless very glad to find that what was in the mind of my Honourable friend, who moved that motion, was almost exactly what is in my own mind on this matter. I am sure, Sir, this House will think no worse of me if I admit a tactical mistake. If I had had an opportunity to discuss the matter with him more fully beforehand, I should have advised the Government not to go into the lobby against that motion because I am entirely in favour of what I now understand to have been the purpose of my Honourable friend in moving this motion. Now, that brings me to the point of explaining to this House precisely what I do propose. It has already been explained, but in order to avoid any misunderstanding I should like to go over the matter again. We propose that the retrenchment officer, who is to be appointed, shall conduct or rather shall complete the very careful inquiries which we have already started into the growth of expenditure in every department of the Government. When these inquiries are completed, I think we shall be in a position to put before this House a very informative report on the exact situation. I want to make it quite clear that this is only a first step. My whole point in this matter has been that, if we are to pursue a policy of retrenchment now, it must be pursued not only with determination, but also with intelligence. Our shots must be carefully aimed; they must not go at large all over the landscape, otherwise we will probably do more harm than good. I do think that, with this report before them, Honourable Members will be able to decide much better than they could otherwise do what course they want the Government to follow, and I have little doubt that we shall find ourselves in agreement on the lines to be followed on main points.

Now, it has been suggested to me by one speaker in this debate that more confidence would have been felt on the other side in this inquiry if it had been undertaken by an Indian officer. I can at once assure the House that there has been no question of racial discrimination in this matter. It so happened that the officer who has been selected was available for this duty at this moment, as otherwise he would have been on the point of retirement. And I believe I am right in assuming that all Members of this House who have had knowledge of the work of this particular officer in the Auditor General's Department will admit that we could not have selected one who has a more close knowledge of all the subjects which he has got to examine or a more fearless sense of justice in recording his opinions. Now, Sir, it has been suggested to me that Mr. Rama Rao, who is shortly to be released from his duties in connection with the Statutory Commission, would have been a very suitable officer to undertake this work. I quite admit it; and if it is possible to make use of the services of Mr Rama Rao in connection with Mr. Jukes' inquiry, I shall be very glad indeed to do so. As a matter of fact, I do not know exactly when Mr. Rama Rao's services will be again at the disposal of

[Sir George Schuster.]

the Finance Department. And another consideration is that in connection with the examination of the Statutory Commission's Report, when it is before us, and also the examination of those difficult financial problems which we will then have to face, I think it is extremely probable that we shall have to employ Mr. Rama Rao on special duty to help us in this matter. Personalities at the present time must be used where they can perform the most valuable services, but if there is an opportunity of employing an Indian officer in connection with this inquiry, I certainly will do so. I would, however, remind this House that, in the Finance Department, we rely almost entirely on the Indian officers, and they will all, of course, be closely associated with the work in connection with this inquiry.

Now, Sir, I come back again to the motion moved by my Honourable friend, Sir Hari Singh Gour. He has suggested that his purpose in moving this motion has not been properly understood. Sir, in answer to that, I would say that Sir Hari Singh Gour does justice neither to my intelligence nor to his own powers of expression. His purpose was perfectly clear, and I understood it exactly as he has repeated it today. But, Sir, my answer after his second explanation is exactly the same as that which I gave to him yesterday. He says he is out for general retrenchment. I say retrenchment is a subject which you cannot discuss in the abstract; you must come down to the practical details of the departments with which you are dealing. I have prepared some very full notes on the growth of expenditure in the Income-tax Department during the last five years, and I should have liked to go through those with this House, because I myself welcome this opportunity of going, one by one, through the various heads of the Demands for Grants in order to explain to this House exactly how and why expenditure has grown in the last years. But, Sir, as time is short, I propose to omit that explanation now. All this ground will be fully gone over again in the Report which we propose to present to the House. But I feel quite confident that, in this particular case, as in the case of the Customs yesterday, I can make out a most convincing statement to this House showing why expenditure has grown, and that the apparent growth does not represent extravagance.

Then, Sir, my Honourable friend says that, possibly in the case of the Income-tax or the Customs Department, you will not be able to achieve this 5 per cent. cut. "What I am out for", he says, "is a 5 per cent. reduction on the total, and it is for you to distribute the details of cuts that would be made". And, then, he always comes back to the same point, namely, that it is to a reduction in military that he really looks for the achievement of his purpose. As a justification for adopting his procedure, he attacks the whole system of non-voted grants. He says that in moving his cut in this way he is making a protest against the system by which a very large portion of the Budget is not presented to this House. Now, Sir, that exactly illustrates the point which I had in mind when I asked this House to agree with me that, at the present moment, just on the eve of the consideration of the Report of the Statutory Commission and of the consideration of all kinds of constitutional reforms, we could not deal with these large questions of policy. I have no doubt that the whole question of the control to be exercised by the representatives of the people over matters such as military expenditure will be one of the major questions which has to be considered in the next stage of constitutional evolution. If any one wishes to make a protest against the present system now, he is at liberty to do so, but to blame the Government for not giving effect to a change in policy in that particular respect just at the present moment is, I submit, to make an attack which misses the mark.

Sir, my Honourable friend also complained of the system of over-budgeting and he suggested that, if we were to revise our estimates, we might find room for the economy which he has proposed. If the results of the last few years are examined, it will be found that there has, in fact, been no over-budgeting, taking revenue and expenditure together. Of course on certain items we go wrong. It would be impossible to avoid mistakes, dealing with a country such as India, where all sorts of uncertainties affect the budgetary results. But on the whole, there has not been any large variation from the estimates which have been presented with the Budget to this House, and I am quite confident in making the statement that there is no evidence now to show that the practice of over-budgeting expenditure is carried out.

One further point, Sir, and I have done. The question has been asked whether, supposing this House approves the taxes which we are proposing this year and supposing events turn out favourably, and supposing that next year we can look forward to a year of moderate prosperity and recovery from the depression which India undoubtedly is suffering from today, will the Government remit taxation? That, Sir, is a question which of course it is difficult to answer, for it would depend on many factors. But I think I have indicated to this House very clearly what sort of answer I myself should give to that question. I feel that we have before us now, in the next stage of constitutional evolution, in the next chapter of the history of this country, a period when above everything, it is necessary that money should be available for constructive expenditure, for expenditure which will go to improve the condition of the people both as regards their education and (what is so closely connected with it) as regards their economic opportunities and conditions. I believe that, in the next stage of constitutional evolution, if the provinces, if the Provincial Governments, are to have greater power and greater responsibility and greater opportunity to work for the good of the people, they will certainly require larger funds at their disposal than they at present have. In putting the proposals which I have put before the House, and in recognising that I am budgeting this year for a year when results have certainly dropped down from the normal line of progress and advance which has been followed in the preceding six years, in making those proposals, I have opened the way when the normal line of advance is again resumed for a fairly substantial surplus. I pray that things will go well enough for such a surplus to be realised. It cannot be more than a prayer, because, as things are, and facing the situation which we have to face, I feel that we want all the revenues which I have asked you to vote for the immediate period which is before us. But that does not prevent our hoping and praying for better times in future, and, when those better times come, I say that what is really required is larger resources for the provinces in order that they may undertake that constructive expenditure which India so badly needs. But, Sir, taking a line of that kind does, I recognise, put a very heavy responsibility on the Government and on the Finance Member in particular, for there is nothing so difficult as to resist demands for expenditure when you have a certain margin of money in your purse and when you cannot dispose of the demands

[Sir George Schuster.]

by the simple answer that the money is not there. It is for that reason that I attach special importance to the appointment of a retrenchment officer, and to the conduct of a retrenchment inquiry at the present stage. It is the most difficult task that any Finance Member has to perform to prevent the growth of waste when he has any money to dispose of. I am fully conscious of the duty which rests upon me in that respect, and from that point of view I welcome the strengthening which is given to my arm in that respect by such motions as were passed by this House yesterday. (Hear, hear.)

Mr. President: The question is:

"That the Demand under the head 'Taxes on Income' be reduced by five per cent."

The motion was negatived.

The Assembly then adjourned for Lunch till a Quarter to Three of the Clock.

The Assembly re-assembled after Lunch at a Quarter to Three of the Clock, Mr. President in the Chair.

Grievances of the Income-tax Office Establishments.

Mr. N. C. Kelkar: Sir, I beg to move:

"That the Demand under the head 'Taxes on Income' be reduced by Rs. 100."

The object of the motion is to draw the attention of the House to the grievances of the Income-tax Office establishments. It is, of course, a small point in itself, but I think it is a somewhat important point also. In the first place, I am not asking for increased expenditure to better the conditions of these people. After having voted for a cut in the Demands, it would be inconsistent for me to ask Government to spend more. But that is not my point. My point is about the injustice that seems to be done in the recruitment of the establishment in some of the Income-tax offices; and this does not necessarily refer to one place like Bombay, but it is, I am told, common to several other places also. Persistent complaints reach us, sometimes even by post, about these things, and circumstances and details are told which, for the moment at any rate, until we get an explanation to the contrary, convince us that the complaints are real. It is for that reason that we take up these complaints, and I am not one of those who think it beneath their dignity to take notice of these things in this House. If the appeals of the subordinates in the services always received proper attention and anxious consideration at the hands of the departmental heads, then these complaints would not surely come to us; and because these complaints are not removed, therefore unions also are formed of these services and that makes it clear that grievances do exist, for which effort has got to be made by these people till they are redressed. One thing more I have to make clear. When I, for instance, bring these complaints to the notice of the departmental head here, I may say once for all, the complaint may be taken to be absolutely impersonal, both subjectively and objectively. I have not before my mind's eye any person, A. B. C. or X Y. on whose affairs the question I am raising may have a bearing. At the same time, I have not before my mind's eye anybody

as X. Y. Z., who may be supposed to be wrong in this matter as head of a particular department. I do not know to whom injustice is being caused, I do not know personally who is causing the injustice. I know the facts; the facts have been placed before me, and I am taking up this question because I believe there is some truth in the complaints.

On the 4th February last, I put a detailed question to the Honourable the Finance Member, asking for certain information and embodying in this question certain facts about certain cases of injustice. In reply to one of the clauses I was told:

"I wish to repudiate, in the strongest possible manner, the insinuation directed in this part of the question against an Indian gentleman in high official position in whose absolute impartiality I have complete confidence."

I have certainly no quarrel with the confidence reposed in that officer by the head of this department. I was much obliged for the information given to me in that reply that the person to whom the complaint related was an Indian gentleman. But I did not want that information. Whether he was an Indian gentleman or not did not make any difference to me, if injustice can be brought home to him, and therefore the only purpose of my question was to know whether such injustice had taken place in particular cases, or whether the state of things generally obtaining in the department with regard to recruitment was such that injustice of that kind might be likely and possible. My question went over seven or eight heads and to most of them the reply given was:

"I am calling for a report after which I will furnish a written reply to the Honourable Member. I am also calling for a report with reference to the other clauses."

Therefore, beyond practically censuring me for seeking to bestow censure upon an Indian gentleman, who happened to be the head of the office, I was not given any information in reply to this question. Since then, I have not got any reply from the Honourable the Finance Member. Therefore I am bringing up this question now to the notice of the Honourable Member, and I hope that this time, at any rate, I shall get the required information.

The grievances relate to both the branches, the subordinate service as well as the superior service. As regards the subordinate services, I understand that the Union of these services under the Central Board of Revenue have made another representation to the officers concerned, and I am told that a final reply has not yet been given, or even if it has been given, it is in dispute. The subordinate service people do not seem to be satisfied with it, and they are still making representations. With regard to the higher appointments, the point of injustice seems to be that, either there are no rules or there are no examinations, or if there are rules and examinations, these rules are not observed and the results of these examinations are not given weight in matters of recruitment. Outsiders seem to be brought into the Department; in one case it may be a stenographer from outside who has made some impression upon the Commissioner; in another case it may be a hand from the allied Department of Customs who sees no prospects for himself in the Department, or in a third case it may be a man from the Imperial Bank, who is finding his position uncomfortable there and has got to be provided for somewhere else. Of course these are not personal instances in the sense that I know A. B. C. or X. Y. who are affected or who are mentioned in these particular cases; nor are

[Mr. N. C. Kelkar.]

they exhaustive cases, but they are illustrative cases and, I may also say, specific cases. Therefore, if an inquiry is going to be made, it will of course be found out whether the instances I have quoted are to the point or not. The process of selection is always a dangerous one, and it naturally leads to such complaints. Therefore my point is, in the first place, that I may be informed whether there are definite rules about recruitment, rules about selection and rules regulating examination, and the progress of those who have passed the examination and have been brought into line. The people of this Department have certainly a legitimate grievance that it is made a dumping-ground for outsiders.

It is difficult to say what is precisely the qualification required for an officer of the Income-tax Department. But it seems to me to be somehow taken for granted that any man who seems to be clever may be just put in this Department. It is difficult to accept that proposition, that anybody, simply because the Commissioner finds that he is clever or impressionable, should have a place in the higher services. The higher services are very important services. The clerks in the Department who have acquired long experience naturally look forward for promotion to these posts, and certainly they may be permitted to appear for examination if there is any. But in any case, where recruitment is to be made by a local promotion of the people already in service who have acquired experience, or where it is made through a definite examination, selection and favouritism and these sorts of things should not come into operation. That is the only point I wish to raise. I only want information and nothing more, and my purpose will be served if this discussion is brought to the notice of the departmental officers concerned and they take a warning from this discussion.

The Honourable Sir George Schuster: Sir, in dealing with questions of detail of this kind, I am obviously in something of a difficulty, because I have no knowledge beforehand of what precise points are going to be raised in discussion, and it is clearly impossible for me, in my position, to keep in my head all the details of the various departments which are technically under my charge. My Honourable friend has referred to a question which he asked and as regards which I promised him some information which he has not yet received. I must apologise if that is so. I understand that an answer was recently sent to him in reply to certain questions. I do not know whether that refers to the particular question which he had in mind. I am told that some information had been sent to my Honourable friend within the last few days. Possibly he has not yet received that letter. But in any case, it seems that, if he asked the question on the 4th February, 1929, and if he has only just received the particulars, I think it is fairly clear that I owe him an apology, and, if that is the case, I hope he will accept my apology now for the long delay which has taken place in giving him the information. Even after I have heard what my Honourable friend has said, I am not quite clear as to the precise nature of his grievance, and I feel in cases of this kind, as I felt earlier in the Session when the question of the grievances of the Currency Officers was brought up, that it is exceedingly difficult to discuss these details across the floor of the House. I gather that the chief point of his charge was that clerks in the Income-tax Department in Bombay are not promoted sufficiently freely to executive posts and that such posts are filled by outsiders with no special claims to them.

Mr. N. C. Kelkar: To the prejudice also of people who have passed the examination.

The Honourable Sir George Schuster: And he did make some suggestions that there was a certain amount of favouritism in dealing with these matters. That, I am afraid, is a charge which I must still reject, because I still have the greatest confidence, not only in the particular gentleman to whom I referred in the course of my answer last year, but in the justice of all the officials in the Department who are responsible for making these appointments. I am told that, normally, clerks are only promoted to the posts of senior clerks, Head Clerks, Assistant Superintendents and Superintendents, and it is only in exceptional cases that clerks are promoted to the higher grades of Inspectors, Examiners and Income-tax Officers. There are no special rules on the subject, since it is not contemplated that such promotions will ordinarily be made. That is the system on which we are working. I presume that the system has been adopted after careful consideration, having regard to the nature of the qualifications that are required for Income-tax Officers and to the qualifications which are ordinarily available in the clerical grades. If my Honourable friend would submit a reasoned statement on the subject, I should be very glad to go into it. But at present, I must presume that the practice which has been adopted, after careful inquiries, is the best practice in the public interests. I am told that clerks who wish to do so are not debarred from appearing for the departmental examinations. But, as I have already explained, the Income-tax Officers are selected from an approved list, and mere success in departmental examinations is not regarded as in itself a sufficient qualification for inclusion in that list. My Honourable friend has said that he is talking in general and not with reference to any particular cases. But it is very difficult to deal with a question of this kind unless one has particular instances put before one for examination, and I think that I could investigate the case very much more effectively if my Honourable friend could supply me with the definite illustrations which he has in mind in advancing his argument. I feel, Sir, that I cannot at present say any more in reply. I am perfectly willing to go into the matter, and I would suggest that, in confidence, my Honourable friend should tell me precisely what he has in mind.

3 P.M.

Mr. N. C. Kelkar: I beg leave to withdraw the motion.

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

Mr. President: Mr. Gaya Prasad Singh.* Does he wish to discuss the amendment of Income-tax law?

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): Yes.

Mr. President: I am afraid he cannot discuss amendment of any law by budget cuts. The Honourable Member is at liberty to give notice of a Bill for that purpose.

Mr. Gaya Prasad Singh: Can I discuss it on the Finance Bill?

Mr. President: Certainly.

*"To move that the Demand under the head 'Taxes on Income' be reduced by Rs. 100. (Amendment of Income-tax law)."

Income-tax Administration in Bengal.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, I beg to move:

"That the Demand under the head 'Taxes on Income' be reduced by Rs. 100."

I confess that I did not altogether feel overweighed with a sense of responsibility even after hearing Mr. Jinnah. I would, therefore, ask the Honourable the Finance Member to agree to surrender Rs. 100 out of his Budget of several lakhs, unless his answer to the point that I desire to raise satisfies my friend, Sir Purshotamdas Thakurdas. (Laughter.) Sir, I had several points in mind when I gave notice of this particular motion, but in view of the progress that we have made in the disposal of the Demands, I propose to confine myself to just one point and I may state to the House that I have already given an indication of my particular point to a representative of the Finance Department, who is also an Honourable Member of this House, so that the Honourable the Finance Member should not have any difficulty in dealing with this particular point. Sir, I understand that a few years back a special Income-tax Officer was appointed in Calcutta and he was charged with certain duties. The view was taken by assessees that this procedure was illegal; that the Income-tax Act did not contemplate the appointment of such an officer for the purpose of discharging the kind of duties that were laid on him. This objection was taken formally before the Income-tax Officer, and I am told that it was also brought to the notice of the higher authorities, the Central Board of Revenue, but with that irresponsibility that seems to be peculiar to the administration of the Income-tax Department, no heed was paid to it. This illegal proceeding went on till the matter came up before the Calcutta High Court, which stated that the entire proceedings before this particular officer were illegal, with the result that the Department has already refunded the income-tax or super-tax collected as a result of the activities of this officer to the tune of several lakhs. Now, Sir, as a revenue earning department we have considerable sympathy with the administration of the Income-tax Department, but I should like to know whether the action taken by the authorities in this particular case really justifies the confidence which it is claimed on behalf of Government that this Department should enjoy at the hands of this House.

The Honourable Sir George Schuster: Sir, my Honourable friend has suggested a somewhat surprising new form of constitutional procedure. He seems to suggest that this House should resolve itself into a sort of arbitration tribunal presided over by my Honourable friend, Sir Purshotamdas Thakurdas. Sir, I cannot leave . . . . .

Mr. K. C. Neogy: I said I was prepared to surrender my judgment in favour of Sir Purshotamdas Thakurdas.

The Honourable Sir George Schuster: That is precisely the result of my Honourable friend's suggestion. But, Sir, I do not know that we need carry this particular point to the length of inventing new constitutional forms by which to deal with it. The matter is a small one and I think quite clear. Undoubtedly a mistake was made in the appointment of that particular Income-tax Officer. The ground on which the Calcutta High Court declared the assessments to be illegal was purely a technical ground, namely, that, while it was open to the Commissioner to appoint an Income-tax Officer to perform these functions "in respect of such classes of persons

and such classes of income and in respect of such areas as the Commissioner may direct", it was not open to the Commissioner to appoint an Income-tax Officer to perform all the functions of an Income-tax Officer in respect of those persons whose cases may be made over to him by the Commissioner from time to time. In fact, he tried, under his powers for delegation of his duty, to delegate it in too wide terms, because the order did not specify the class of persons or the class of income within the meaning of the section. Actually what has happened is that most of the assessment declared invalid by the High Court will have to be made afresh by other Income-tax Officers having jurisdiction, who will naturally use the notes prepared by this special Income-tax Officer. The fresh assessments will probably be quite formal, though it is possible that a few of the assessments will not be able to be made afresh because the period of limitation may have expired. I suggest that the mistake is a purely technical one, and one which does not justify the public or this Assembly in withdrawing its confidence from the Income-tax Department. Actually the Calcutta decision has brought to light a real defect in section 5 of the Income-tax Act, which will probably have to be amended before long. Pending the amendment of that section, I am told that the Central Board of Revenue have issued a detailed circular to all Commissioners of Income-tax explaining the provisions of section 5, and suggesting methods by which the section can be worked with the least administrative inconvenience. I trust, Sir, that the explanation which I have given will be satisfactory not only to my Honourable friend but also to Sir Purshotamdas Thakurdas, to whom my Honourable friend, the Mover of this motion, has delegated his responsibility in a way no less reprehensible than that of which this particular Commissioner of Income-tax was guilty. (Laughter.)

Mr. K. C. Neogy: I am afraid my Honourable friend, the Finance Member, has missed my point. Is it not the fact that this particular technical objection was taken at the earliest possible moment, even before the matter was taken to the High Court, and that the procedure was continued, despite this warning, and in absolute disregard of all the objections that were urged on behalf of assessees before the different Income-tax authorities, which shows the absolutely irresponsible manner in which the Department is administered?

The Honourable Sir George Schuster: I very much regret, Sir, that, on that particular point, I have no information. I will look into exactly what happened. But I still venture to suggest that, the nature of the irregularity was of such a purely technical kind, that it hardly merits the very eloquent phrases which have just fallen from my Honourable friend's lips.

Mr. President: The question is:

"That the Demand under the head 'Taxes on Income' be reduced by Rs. 100."

The motion was negatived.

Sir Hugh Cocke (Bombay: European): Sir, there are one or two general remarks I wish to make on this vote, if I may. I shall not take many minutes. I have noticed in the Annual Report of the Central Board of Revenue for 1927-28 (paragraph 14 on page 4) that it says that "arrears at the end of the year stood at the same level as at the end of last year. The collections continued to be satisfactory". But looking into the figures, it does not seem that they stood at the same level. I wonder if the paragraph has crept in from a previous Report. I see that as regards income-tax, the uncollected income-tax at the end of March for the three years 1925-26,

[Sir Hugh Cocke.]

1926-27 and 1927-28, rose from Rs. 45 lakhs, in the first year, to Rs. 51½ lakhs in the next, and to Rs. 54½ lakhs in the third, so that there has been a steady increase in the uncollected balance of income-tax. As regards super-tax, the figures are still more striking in that, at the end of 1925-26, they were Rs. 19 lakhs, a year later they were practically Rs. 40 lakhs, and at the end of 1927-28, they were nearly Rs. 58 lakhs. So I do not think that that statement, in paragraph 14, is quite correct. I hope it will be possible, in future, to get this Report out somewhat earlier. I understand that Government close their accounts at the end of March, and that anything received after the 31st March, goes into the next year. If that has been so, I should have thought that it should be possible to get all these figures within a month or two and to issue the Report very much earlier than now. This Report for 1927-28 reached the Library here in June 1929, that is, fifteen months after the end of the year.

On one other point I wish to say a few words for future information. You, Sir, just now ruled out of order the cut of Mr. Gaya Prasad Singh to raise the question of the amendment of the income-tax law. I presume that, had he been going to discuss the recent enactments and their effect on the administration, he would have been quite in order. I understand he was ruled out because he was going to discuss future legislation.

Mr. Gaya Prasad Singh: I was going to discuss the existing law on the subject and to point out the anomalies and deficiencies of the existing law, and I wanted to suggest amendments to some of the sections in the interests of the assessees.

Mr. President: The question is:

"That a sum not exceeding Rs. 71,99,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Taxes on Income'."

The motion was adopted.

DEMAND No. 18—SALT.

The Honourable Sir George Schuster: Sir, I move:

"That a sum not exceeding Rs. 88,31,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Salt'."

Abolition of the Salt Tax

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, it is gratifying to me that I have the high privilege of moving a motion* in this House before the representatives of the Indian people, which has been taken up by a far greater individual to carry on a religious war. It is also a curious coincidence that the discussion of the subject should fall on the same day here in this House along with the first day of commencement of the non-violent war. It is a special privilege for every one of us here that we are also participators in the great struggle that is being carried on for the liberation of India. Sir, Mahatma Gandhi, the saint and seer of modern India has declared that, in order to liberate India from foreign domination, the first battle that has to be fought with the Bureaucracy

*"That the Demand under the head 'Salt' be reduced to Re. 1."

is on the issue of salt. Why did he do so? Because he felt with all the warmth of feeling that a great heart like his alone could feel for the masses of the people who have to pay this salt tax. My amendment, Sir, is totally to deny any grant, save and except one rupee, to this Department. If the Government can carry on this Department with one rupee, let them do so; but we wish to record our protest against this iniquitous tax. Before foreign rule, salt was free, like water, light and air; but these are now taxed, except air, and if air is taxed, we shall not be surprised, and we shall be obliged to shut our noses and cease breathing or pay air-tax, for it is not possible to live without breathing air. So it is also not possible to live without salt; it is one of the necessaries of life to keep up health and to take in a morsel of food. That a civilised government, as the present Government claims to be, should choose, of all other things, salt, leaving aside tobacco and other luxuries, as an object to be taxed for revenue, is not only surprising but perplexing. The debates of this House will show that all that can be said about this salt tax has been said, and to say anything further, would merely be repetition of those very things over again. It is a prime necessity of life, both for men and cattle and without repeating all that has been said for the abolition of this pernicious tax, I make my humble appeal to the Government so long they happen to rule this country to abolish the salt duty.

I do not know whether the religious war that has been begun today will succeed or not. According to my own conceptions of success, I believe that no great movement has ever failed. To ordinary mortals it might appear that it has been a failure, while it is not so. To a superficial observer it may appear that Srikrishna, Gautama Buddha and Christ have failed, but a careful study of the history of human civilisation will convince you that they have moulded the destinies of the human race, and true success lies there. They are the great forces that govern this world. Sir, I believe that this religious war is bound to succeed, and I invite the Government to join in this religious war and help Mahatma Gandhi in having free salt for the masses of India. That will be to their great credit, and I hope that Englishmen on the other side will not be deaf to my appeal, will not be deaf to the appeal of the greatest man of the world, who in order to make the Government moral and religious, has launched this non-violent religious war. Hence, Sir, I am asking that this Demand be reduced to one rupee, and in this I am helping the Government at least to become moral, to become more religious; and I hope that they will appreciate my views.

***Pandit Nilakantha Das** (Orissa Division: Non-Muhammadan): Sir, I am here to oppose this Demand for Grant as it stands on the paper and to support the amendment that has been moved, and I do so with a very heavy but responsible heart. I have not come here today to argue or to reason on this particular subject; because whatever can be said has been said in previous years in this House as well as elsewhere. But, Sir, this year, it has come to be a subject in the forefront of all Indians and of all Government men. It is a queer coincidence, as my Honourable friend to my left has said, that it is today, the 12th March, that, in order to liberate the masses of India, Mahatma Gandhi has launched a religious war and he has selected this weakest point of the Government. This is a tax which

*Speech not revised by the Honourable Member.

[Pandit Nilakantha Das.]

pinches even the poorest, and every one, every poor man particularly, feels it to be so. If I reason today, it is not on the iniquities of the salt tax; I say, today and now you must abolish this entire Department. If I may reason, I may discuss whether, if the salt tax is not levied, such a department will still be necessary. It may be necessary, and it may be the duty of the Government to deal out salt prepared by the people free all over the country. I know that, and it is not for me to argue on that point now. I say emphatically and deliberately, abolish this Department all at once, for it is only then we can put our heads together and form a small department to deal out salt all over the country. Sir, this is a subject over which today a national war has begun; it is a war of Independence. It is not reason which will convince the mailfisted Bureaucracy or band of Imperialists. We are told that we are a part of what is called the Commonwealth of Nations, and here somebody else said we enjoy Dominion Status in action. There are Dominions which have got a status, and my friends on the opposite Benches well realise what reason they gave to demand or carve out the status which they now have, and I am sorry to say that, so long as that reason is not shown, perhaps they will depend on the brute force, of which they are past masters. If I can help them to put any sense in their brains, I should advise them, particularly at the present juncture, to abolish this Department altogether, to disband the whole band of officers, and thus show their *bonâ fides* and show that they join hands with the Indian Nationalists who are crying for Independence, who are rightly demanding it, and begin a new era in the world of peace and prosperity, which perhaps will sooner or later dawn on this country, despite the attempts of the Bureaucracy. Sir, with these few words I support the motion.

Mr. M. S. Aney (Berar Representative): Sir, I have a cut motion* given under this very Demand, which was intended to draw the attention of the Government to a careful consideration of the salt policy they have been pursuing, in view particularly of the present political situation. As my friends, Messrs. Amar Nath Dutt and Pandit Nilakantha Das, have practically argued on the same grounds, I thought it would be better for me to participate in the debate raised on Mr. Amar Nath Dutt's motion. But my object is really this. The motion which I want to make and which I believe is the one that was moved by my friends, is not brought in with the object of inflicting any defeat on the Government or getting any success in this House. That is not the purpose of it at all. On the other hand, if I put it in different language, the object is to draw the attention of the Government to the gravity of the present situation and to call upon them to realise the supreme necessity of revising their policy with a view to abolish the duty against which the people of this country have been complaining ever since the advent of British rule in this country so to say. My Honourable friend, Mr. Jinnah, when he spoke on the last motion, very appropriately remarked that the Members on this side of the House are not irresponsible men, and no Member can think that he is irresponsible. He resented that allegation, which unfortunately my friend, Sir Cowasji Jehangir, probably meant in a different sense. I want also the Members on this side to realise that, in considering this motion, they realise the

*"That the Demand under the head 'Salt' be reduced by Rs. 100. (Abolition of Salt duty as an effective expedient to ease the political situation in the country)."

responsibility to which pointed attention was drawn by my friend, Mr. Jinnah, in his speech. The responsibility to which he has drawn our attention was to the effect that we are responsible at any rate to our constituencies, and when we consider questions of broad policy affecting our country which is larger than our constituency, our responsibility is to our country men, and without being sanguine of any success, or without any desire even of taking a motion like this to a division, I desire that those who wish to take part in this debate should realise this responsibility, and with a full sense of their responsibility, they will fearlessly offer their views and advise the Government on this occasion. It is in that sense they should approach the question. That is my earnest desire.

Sir, the question which we have to consider is, whether the salt duty has been telling upon the people and affecting them prejudicially or not. This is a question, the reply to which, even on the admissions made by responsible officers from time to time in different capacities, does not admit of any doubt at all. In fact, it has been freely recognised that this duty on one of the prime necessities of life is imposed because that is the only way in which the poorest man in the country can make his contribution to the exchequer of the State. The famous despatch of the Duke of Argyle, which has been frequently relied upon in this connection, discloses the whole case on the point so far as Government are concerned. The question which weighs with the Government is, what is the contribution which the poorest man in the country can make today to the exchequer of the State, and which, as a citizen receiving benefits of state protection he is bound to make? And they satisfy themselves with a reply that the duty on salt is the most inoffensive form in which the poorest man can be taxed, and it is not materially felt by him. Government think that there is no harm in securing from him the contribution in the form of the salt tax. Sir, these arguments have been answered times out of number. The late Mr. Dadabhai Nowrojee, who is the father of that national movement which is today culminating in the form of what may be called a non-violent war between the people of this country and the Government of this country, has in his famous book "Poverty and Un-British rule in India", demolished this theory of the poor man's contribution to the exchequer of the State. He says:

> "Whether you tax that man in the form of salt duty or not, there are a thousand other ways in which he is already taxed, and there is no tax which you have imposed which is not ultimately paid by the poorest man in this country."

Sir, the same arguments have been repeated on the floor of the House, which is the predecessor of this House, the pre-reform Imperial Legislative Council, by the late Mr. Gopal Krishna Gokhale. In his famous budget speech of 1903,—I do not wish to saddle my speech with quotations from his speech, but I will only give reference for the benefit of the Members on the treasury Benches,—in his famous budget speech of 1903, he dealt with this argument exhaustively, and exposed the hollowness of the plea that this is the only contribution which the poorest man makes. He showed that the poorest man is contributing to the revenues of the State on account of the forest policy, on account of the land revenue policy, on account of the customs policy and on account of the excise policy, and in sundry other ways. Every article of consumption in this country which is taxed by the Government is ultimately paid for from the pocket of the poorest man.

[Mr. M. S. Aney.]

So on that ground it is not necessary to retain this salt duty at all. These arguments have been exhaustively dealt with before, and I do not want to go into them.

The iniquity of the salt tax is obvious to those who know the medical opinions on this point. It has been admitted that salt is one of the primary necessities of life. Every human being must take it in certain quantities if he wants to retain his health and strength. It has been shown that the ordinary consumption of salt *per capita* in this country is only 12 pounds. I doubt whether that is the proper figure at all. The total quantity of salt available for consumption in 1928-29 comes to 2,672,100 tons only. It may even, perhaps, be less. This figure of 12 pounds even is very much below the figure of *per capita* consumption of salt in other civilised countries. In England it stands at 40. Even if we make allowance for the consumption of salt for industrial purposes in England, it will stand at higher than 25 pounds. This has been arrived at after careful calculations by Mr. Ratton, who is cited by the writer of this monograph, a copy of which I have been favoured with. It has been published by the Federation of Indian Chambers of Commerce. I have gone through a portion of that monograph, and it is a very useful book. I wish the Members of the Treasury Benches would read it, and I am sure it will help them immensely and benefit them. I find here a careful study of this question from the historical point of view as well as its effect upon the economic condition of the people. The consumption is only 12 pounds per head here while it stands at 40 in England. Even making allowance for industrial consumption, the figure will not stand below 25 in England. Why is there this low consumption and what is its effect? As regards salt, the theory which the medical authorities have propounded is this. The general food of the people of India, of those who live a vegetarian life so to say, is of such a nature that it is very poor in salt, and unless they take greater quantities of salt, they cannot be expected to be as healthy and strong as they ought to be. Now, I do not wish to give the House any quotations in support of this proposition. It is admitted by medical experts as well as other persons who were examined as witnesses before the Committee of 1833. Those are matters of record, and the Court of Directors, approving the opinion of this Committee have recognised that the monopoly of salt goes to diminish the power of consumption, which again tells heavily on the general health of the people. It goes to weaken the people.

Today the position is like this. What is the total burden which the Indian people have to bear on account of this salt duty? A sum of 7 crores is realised from the salt duty. In 1928-29, we had the figure of 7,59,92,000 or something like that. Put it roughly as 7·60 crores. That is not the only thing which the consumer of India has to pay for his salt. It has to be taken into the interior and you will see, Sir, that 2 crores went to the Railway Department as freight for the carriage of salt in the year 1928-29. The total contribution made by the Indian people to the Government Treasury in that year was therefore something like 9 crores, 60 lakhs. When you take that as the real figure of taxation, which directly or indirectly is imposed on the people of India, the incidence of taxation per head of the Indian population, for the purpose of getting salt, which is a primary necessity of life, comes to something like Re. 0-4-8, or something more than that. The figure of 3 annas, three pies is based on the calculation

of 7 crores, but when you take this additional 2 crores, which virtually goes to the Government Treasury, you will find that the incidence does not come to less than 4 annas 8 pies. That is really a heavy and severe poll tax, as the Taxation Inquiry Committee have pointed out, on one of the primary necessities of life.

Sir Hugh Cocke: Does the Honourable Member suggest free salt and free carriage of salt?

Mr. M. S. Aney: At least the Honourable Member knows that there is today free carriage of salt so far as the passage of imported salt to the Indian ports is concerned. I am not going to propound the proposition that the salt should necessarily be carried free by the State railways. But the question of freight can be easily considered in a different way. All that I am propounding today is that there should be a policy adopted by the Government towards a gradual reduction of the salt duty, ultimately leading to abolition. That is the line on which I am arguing this case, and if the Government accept this policy, then matters of detail can be gone into later on. All I want them to do now is gradually to reduce the duty with a view to abolish the same within a course of, say, five years, as they have done in the matter of opium. It may be said that Government will lose their revenues to the extent of 7 or 9 crores, and how can they afford this loss? It is a serious loss which they have to suffer. I, however, know that, whenever matters of urgent importance were concerned or emergencies had arisen, the Government of India had not always been unnecessarily supercilious about their own revenues. Why have they consented, I ask, to the gradual abolition of the revenue which they were making out of opium till only a few years ago? Is it not a fact that they have submitted to suffer a loss of seven or eight crores by the end of the year 1935, in order to fulfil the international obligations which they have accepted to discharge? They have played the role of the philanthropists at our cost, in trying to oblige some other nation, but whenever any relief to the people of our own country is concerned, they plead financial difficulties and financial exigency. My main complaint is that on account of their obstinate policy, they are not giving any consideration to the subject at all, in spite of the protests that have been made on behalf of the people ever since the dawn of public life in this country and even before. That is the reason why the leaders have been driven to despair and the no-tax campaign is going to be launched against this very duty from today. I submit this is an opportunity for the Government of India to make an honest endeavour and come to a resolve that they must make a beginning in the matter of removing this duty, instead of allowing the events to run to a point where they must clash with the people. There is yet time and I hope saner counsels will prevail and something may be done to avert the actual state of war between the people of India and the Government of India which now seems otherwise inevitable. I desire to remind them that we voluntarily made a contribution of 100 crores of rupees in order to help England in the last war with Germany and other nations in Europe. So in order to avert war with your own subject-people, a little sacrifice leading after five years to actual loss of seven crores of rupees is really not much and it is certainly worth making. You may laugh at the suggestion; you may even treat the present agitation appearing like a small cloud not bigger than your hand with contempt; but those who know the great personality, respected all over the world, which is at the helm of this campaign, and those who know the momentum which

[Mr. M. S. Aney.]

the movement is bound to receive in a short time, owing to his dynamic, decisive and determined lead, which enforces homage from every Indian, be he on this or that side of the House, cannot but feel that this is the psychological moment for the Government of India to act in a statesman-like manner. It is to that statesmanship of the Treasury Benches, if they have any, I desire to appeal, and I want them to pounder seriously to see whether it is not the proper time for them to make a clear declaration from the floor of this House with regard to the salt tax. Let them say; "We do not merely sympathise but fully realise the significance of the point for which the people are going to enter on the fight, and therefore, we voluntarily declare that our policy shall be to abolish this salt duty within the course of, say, five years from now and we are making a beginning from this year and are prepared to suffer such losses of revenue as may be occasioned by the abolition of this duty.

What is the ultimate intensity of the interest you feel for the masses about whom you speak so often? That is the real point. The masses are undoubtedly behind Mahatma Gandhi, notwithstanding the roseate pictures of co-operation in the speeches that are being drawn by some of the high officials on their tours here and there. All the people may perhaps not be able to make the sacrifices which Mahatma Gandhi expects of them in this struggle. But a very large number will. And the hearts of all will be with him wishing him success all the time, irrespective of your efforts to the contrary. Why are you allowing the people to run into that mentality? That is the point. You should try to rule over the people with their consent, their goodwill and their good wishes. I do not wish to ask the Members of this House, whether they be on this side or on the other side, to go to a division. On the other hand, I have given an opportunity to Government to give expression to their policy on this subject. If they have the imagination to visualise the dramatic change such a declaration will make in the political situation, they can take advantage of it, otherwise they should be prepared to face the situation that will undoubtedly arise in the country. I want all my countrymen, on this side of the House at least, to take up an attitude on this question which will indicate that they wish to stand for the crusaders who are resolved to carry on the battle of the country, in the success of which lies our real salvation. It is for the Government to see that the ultimate issue of our liberty is not solved by the people by having recourse to a severe struggle with the authorities but is solved by means of negotiations based on a goodwill between the Government and people of India. For the sake of restoring that goodwill the Government must show that they are prepared to make the necessary sacrifice and adopt a reasonable policy which I presume is likely to appeal even at this late hour to the great man who has left his home with his brave soldiers this morning and begun the crusade. Today is the first day of his great march and there are yet nine or ten days more before the actual fight begins. Before the brave band of crusaders reaches the destination, and before the first shot is fired, there is yet time for you to rectify the past mistakes and revise your policy. I earnestly desire the Honourable Members on the Treasury Benches to realise the gravity of the situation and do their duty to the people who have been supporting them willingly or unwillingly at immense sacrifice for the last 150 years. Be true to the salt you have been eating for all these years; that is all I want to say today in commending this cut on the Salt motion, for your consideration.

***Mr. Fazal Ibrahim Rahimtulla** (Bombay Central Division: Muhammadan Rural): Sir, I am glad my friend, Mr. Aney, agrees with the leader of my Party that every Member who speaks from this part of the House, or any part of it, speaks with the full responsibility attaching to his statement. It is therefore unfortunate that my friend, Mr. Aney, should have dragged in the political issue on this question. I, for my part, would not like to go into the details of this political question, except to say that I do not think my countrymen would favour the launching of the civil disobedience which the movement at present started means. I also do not think that the other point raised by my friend, Mr. Aney, is correct, namely, that, by the reduction of the salt duty, you will be able to ease the situation in the country. I think the Leader of the Opposition has made it clear that, as far as the Indians are concerned, if the Hindu-Muslim question is settled, they will not accept anything less than full Dominion Status. Therefore, I think that the question of the reduction of the salt duty ought to play a secondary part in the question that is now engaging the attention of the country outside this House.

As regards the abolition of the salt duty, I think my friend, Mr. Aney, has forgotten its past history. The Deputy Leader of my party, Sir Purshotamdas Thakurdas, last year had taken a very strong attitude on this subject when the motion of my friend, Mr. Kelkar, was debated in this House, and I must say, to the credit of Government, that they accepted that motion and instituted an inquiry into the subject of salt, in order to find out the ways and means to make India self-contained so far as salt was concerned. I say, therefore, that it is inopportune at this juncture, either to press this motion, or vote against this grant, unless and until we see the Report of the Tariff Board, and this House gets an opportunity of expressing its views on it. I think my friend Mr. Kelkar's speech on this subject was a very telling and strong speech, and this House practically by a large majority adopted that motion. Unless, therefore, that Report is placed in our hands and a separate day is allotted for its discussion, I think, I will be right in saying that the House would be well advised in not supporting this motion at this juncture. Sir Purshotamdas Thakurdas practically voiced the opinion of our party when he said that, if they did not carry out the intentions of this particular part of the House, he was prepared to go to the extent of reducing the duty to 8 annas. I do not think a stronger case than that could have been made out, so far as the attitude of our party is concerned. I therefore hope that the Members will not support this motion, but will allow the Demand to be passed because we do not wish to raise the issue at present about the abolition of the salt duty, unless we get the Report of the Tariff Board inquiry.

The Honourable Sir George Schuster: Sir, one is in a difficulty in replying to a debate on this question, because obviously very important issues have been raised which I would not wish to touch upon at all deeply at the present stage. Also the subject, as has already been remarked by several speakers, is a well known and well-worn subject. The unfortunate article of salt has to bear a multitude of sins, and discussions of this subject are as experience has proved to us, not free from passion. I maintain, Sir, that we are no less the friends of the people if we insist that reason also should be introduced into the consideration of our policy on these matters.

*Speech not revised by the Honourable Member.

[Sir George Schuster.]

In the present debate, two main points have been raised—the question of the present political danger and the question of the economic burden of the salt tax on the people. Now, I do not believe, as regards the political danger, that any of my Honourable friends on the opposite Benches would maintain the view that the case would have been met and the political danger would disappear if we were to abolish the salt tax with one stroke of the pen today. As regards the economic burden it is there that I would ask my Honourable friends to apply reason to the consideration of the matter. If one investigates the figures, one finds that the actual burden, as has often been stated in this House, is just over three annas per head of the population per annum. That, no doubt, may be quite a serious burden to the very poorest classes, but if one is considering the advantage of the poorer classes, surely there are other ways by which a much more substantial advantage can be conferred upon them. For instance, take the results of a constructive agricultural policy. The total receipts from the salt tax are now about seven crores per annum. I have been told that, in the Punjab alone, and in the canal colonies alone, the introduction of improved qualities of wheat meant an increase in return to the cultivators, brought about in a period of five years, by something like eight crores per annum. Those are the sort of figures which count when you are considering the welfare of the masses of the country. Or again, as was mentioned by some Honourable Member in the course of a recent debate in this House, if we were to consider the burden which interest payments in respect of their indebtedness puts upon the poorer classes of the country, that is a hundredfold more than the figures of the burden on salt. We hope, I certainly hope, that as a result of the measures which may arise out of the banking inquiry we may be able to attack that problem, and I maintain that, if it is the advantage of the poorer classes that we are considering, there are far more effective ways of pursuing these advantages than by the abolition of the salt tax. Or, again to come to salt itself, I think it is quite possible that, by improving the marketing conditions and the general system of administration, it may be possible to put a better quality of salt and greater quantities of salt at lower prices into the reach of the people of this country, and that, in that way, you will be able to confer a much greater benefit on them than you could by merely abolishing the salt tax.

That brings me to the point mentioned by my Honourable friend, Mr. Fazal Ibrahim Rahimtulla, namely, the question of the Tariff Board Report. I have reason to believe that the Tariff Board will go into the whole question of the salt administration in this country in a very wide manner, and it is one of those subjects which I hope will be fully considered by the public in this country and fully debated in this House. I hope that we shall have before us recommendations which will improve matters in this connection and which will touch all those practical points which I keep always present in my own mind, and which were made in the debate on this subject last year, and particularly in the speech made by my Honourable friend, Mr. Kelkar, which I have before me now and to which reference has already been made. Sir, I believe that, in these ways, we can advance the interests of the poorest classes of this country far more effectively than by this gesture of abolishing the salt tax and leaving the country itself in financial difficulties for which at present we could find no exit.

Mr. President: The question is:

"That the Demand under the head 'Salt' be reduced to Re. 1."

The motion was negatived.

Damage done by the Khewri Salt Mines to the Neighbouring Fields and the Jhelum District Board Property.

***Raja Ghazanfar Ali Khan** (North Punjab: Muhammadan): Sir, I beg to move:

"That the Demand under the head 'Salt' be reduced by Re. 1."

Sir, I tabled a similar motion in 1927, to invite the attention of the Government of India to two matters. One was the grievances of the Khewri Salt miners, and the other was damage by Khewri salt mines to the neighbouring fields and the Jhelum District Board property. The Honourable the Finance Member was kind enough to hold an inquiry into this question with the help of a Member of the Revenue Board and also the Deputy Commissioner of the Jhelum district. I was also invited to join and was present there. The first question was more important, and therefore it naturally attracted more attention of the Committee, and I must express here my thanks to the Finance Department that a large number of those grievances, which I pointed out, have been removed, but there are others which remain and which have been the subject of inquiry by the Labour Commission which went there, and therefore I would not like to raise that question now. I may also express . . . .

4 P. M.

Mr. President: Does the Honourable Member wish to move his amendment?

Raja Ghazanfar Ali Khan: Yes, Sir, I am moving. I may also submit that I am thankful to the Honourable Sir Bhupendra Nath Mitra, who personally went to Khewri to look into these matters, and he promised to take a keen interest in them, and so was the late Mr. S. R. Das interested in the matter.

Now, this question of the damage done by the mines to the District Board property and the fields around is such a serious technical question, that I do not expect any discussion on the floor of the House would help the matter at all. My only object in moving the cut is to place before the Honourable the Finance Member the question whether it will be possible to hold an inquiry into this matter, which very seriously concerns not only my district, but my constituency, with a large number of cultivators, and if he would be good enough to hold a further inquiry into the matter, he himself presiding with the help of a Member of the Revenue Board, and asking the Punjab Government to send one of their officials on that Committee, preferably Mr. Brayne, Deputy Commissioner of Jhelum District, who is also the *ex-officio* President of the District Board, and who takes a keen interest in the welfare of the zamindars, and if he has no objection, also asking me to give my help in finding some solution,—if the Honourable the Finance Member would be good enough to promise and consider the desirability of holding such an inquiry, I would not like to press this motion to division.

*Speech not revised by the Honourable Member.

The Honourable Sir George Schuster: Sir, I have great pleasure in assuring my Honourable friend that I shall take the earliest possible opportunity to have the matter inquired into as nearly as possible on the lines which he himself has suggested.

Raja Ghazanfar Ali Khan: I beg leave to withdraw the motion.

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

Mr. President: The question is:

"That a sum not exceeding Rs. 88,31,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Salt'."

The motion was adopted.

DEMAND No. 19—OPIUM.

The Honourable Sir George Schuster: Sir, I beg to move:

"That a sum not exceeding Rs. 63,69,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Opium'."

Checking the Consumption of Opium and Opium Smoking.

Khan Bahadur Sarfaraz Hussain Khan (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, I beg to move:

"That the Demand under the head 'Opium' be reduced by Rs. 100."

Sir, I shall not press my motion to a division if I am satisfied with the information which the Honourable the Finance Member may give on the two points that I am going to mention. I want to know as to what steps Government have taken so far as the consumption of opium is concerned, and so far as the prevention of opium smoking is concerned. It is only with regard to these two matters, with which I am very much concerned, and with which everybody must be concerned—that is opium smoking and consumption of opium—that I want an answer from the Honourable Member. If I get a satisfactory answer, I shall withdraw my motion.

The Honourable Sir George Schuster: Sir, I think the Government's policy as regards opium has been made public many times, and I do not know that I have very much to say to enlighten my Honourable friend on this subject. My Honourable friend is perhaps aware that, some two years ago, the Provincial Governments were asked to make inquiries, particularly into what have been commonly described as "black spots" for opium consumption. The inquiries are now complete, and there is to be a conference held at Simla in May of this year, the proceedings of which will be opened by His Excellency the Viceroy. All the important questions in connection with opium will be discussed at that Conference.

As regards opium smoking to which my Honourable friend particularly referred, the Provincial Governments are taking steps to prohibit smoking altogether, or to register and ration addicts.

I hope, Sir, that that is sufficient to give my Honourable friend the information which he requires.

Khan Bahadur Sarfaraz Hussain Khan: Sir, I am satisfied so far as opium taking is concerned, but so far as opium smoking is concerned I do not know what the Provincial Governments are doing to prevent it, or how far the matter has progressed. Some action seems to have been taken, but if the Honourable Member can enlighten me as to what that action is, I shall withdraw my motion.

The Honourable Sir George Schuster: Sir, I think I gave my Honourable friend the information which he asks for. It is impossible for me now to go into the exact details of the action that has been taken in all the provinces, but I informed him that, as regards opium smoking, the policy of Provincial Governments is to prohibit smoking altogether and to supplement that ultimate purpose by the registration and rationing of addicts.

Khan Bahadur Sarfaraz Hussain Khan: Sir, I beg leave to withdraw my motion.

Mr. President: Is the Honourable Member satisfied?

Khan Bahadur Sarfaraz Hussain Khan: Yes, Sir.

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

Mr. President: The question is:

"That a sum not exceeding Rs. 63,69,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Opium'."

The motion was adopted.

DEMAND No. 20—STAMPS.

The Honourable Sir George Schuster: Sir, I beg to move:

"That a sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Stamps'."

The motion was adopted.

DEMAND No. 21—FOREST.

The Honourable Sir George Schuster: Sir, I beg to move:

"That a sum not exceeding Rs. 8,39,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Forest'."

Revision of the Indian Forest Act, Forest Development and Policy in its Relation to Agriculture.

Mr. M. S. Aney: Sir, I beg to move:

"That the Demand under the head 'Forest' be reduced by Rs. 100."

[Mr. M. S. Aney.]

The points which I wish particularly to bring to the notice of the Honourable Member are mentioned by me in brackets in the motion* on the Agenda which is probably before him. The first point is this. It will be remembered by Honourable Members of this House that some years ago the Government of India brought a Bill to consolidate the Indian Forest laws into one Act before this House as well as before the Council of State. When the Bill was before the Council of State, there was a good deal of debate over it. Attempts were made there first to raise certain points with a view to amend that Bill. Similar attempts were also made in this House, but on certain technical grounds it was found that, being a consolidation measure, it was not proper to move amendments of substance to that Bill. In the Council of State particularly an assurance was given on behalf of Government that they were fully aware that it was an old Act and probably it had outlived its time, and a radical change might be necessary also. But the difficulty which Government felt, in taking any immediate action on their own initiative in connection with the Forest Act, was that it was a provincial subject, and it was eminently a matter which could not be taken up unless the opinions of the Provincial Governments were known. They suggested that, after receiving the opinions of the Provincial Governments as regards the points on which they wanted the Indian Forest Act to be amended, Government would consider the appointment of a committee to see if the Act could be revised in that way or not. After that, more than once, by interpellations, I tried, without success, to draw the attention of the department concerned to the matter and asked what had been done in the way of getting the opinions of the Provincial Governments, and if they had got them, what those opinions were. In my province, of course, certain steps have been taken, a committee has been appointed, which is investigating the question of the forest policy in the province, and the Committee is expected to submit its Report shortly. But I want to know what the Government of India have done to carry out the promise which they gave in the other House, and how far they have progressed in that direction; whether they have received the opinions of the Provincial Governments, and what are the conclusions they have arrived at—if they have received those opinions—as regards the desirability of appointing a committee, or doing something to revise the Indian Forest Act. Nothing is known to us up to this time, although more than four years have passed. That is the first point I want to know. I am not going to make a speech detailing the points on which I want the Indian Forest Act to be amended; I think it will not be appropriate to discuss that question here. The point on which I want Government to give me a reply is why they have not, up to this time, informed the House about anything that they might have done to carry out the promise they gave in the other House and repeated here on the floor of this House also, when the Indian Forest Consolidation Bill was under discussion. Nothing is known to us. That is the first point which I want Government to answer.

*(Non-appointment of a committee to revise the Indian Forest Act: Growth of expenditure on forest development in administered areas: recommendations of the Royal Commission on Agriculture regarding Forest policy and its relation to Agriculture.)

The second point is this. I need not read out the figures from the big book of Demands for Grants, because the Honourable Member in charge of the Department is better conversant with them than I am. But he will see that, in the administered area, particularly in the administration of the Nicobar and Andaman Islands, there is an extraordinary rise from 1,291 thousand in 1928-29 to 1,690 thousand in the Budget for 1930-31 under Forests. There is a similar rise in some other administered areas also. What are the reasons for making such a big expenditure or increase in expenditure in regard to these islands for convict settlements, under Forests? Here, in the volume before us, we have got only these high figures of expenditure, and we are asked to sanction them about which not a word of explanation is given in justification in these big volumes. The Explanatory Memorandum also is silent on that point. The Honourable the Finance Member, in his speech, has drawn attention to the fact that there is some rise in the expenditure on Forests on account of the reclamation of these islands. But what are the reasons for the rise of the expenditure under this particular head? It is a point on which there is absolutely no explanation. The rise is considerable, as it goes up to several lakhs and I want the Honourable Member to give us the reasons for the extraordinary rise in expenditure under this particular head, particularly in administered areas. I want to know whether they are widening the forest areas there and narrowing down the areas under cultivation, or whether they are taking certain steps to develop forests and forest industries in those areas, or whether the expenditure has gone up for any other reason. These are the points on which explanation ought to be given to this House before it is called upon to vote the extraordinary amounts put down under this head.

The third point is this. The Indian Agricultural Commission's Report is published and their recommendations have been before the Government for a fairly long time. There is a special chapter devoted to forests, particularly forest administration in relation to agriculture. They have made certain drastic suggestions as regards the classification of forests. They have disapproved of the existing classification of forests, and have suggested that the classification should altogether be changed, that instead of the present classification there should be three classes of forests based on certain definite principles. I have not got the Report here just at present, but I read it some time ago, and I can give the purport of it. They say that the first class, Class A or Class I, should include forests which contain valuable timber and are useful mainly as commercial forests. Then there should be a second class containing forests which will be useful for what they call *nisthar*, that is, useful for agricultural purposes, fuel and so on, the third class, which may be useful for grazing as pasture-areas. The Royal Commission clearly recommended that the forests should be classified on some definite and intelligible principles, and I want to know whether any attempt has been made by the Government of India to bring this classification into effect, as also the various other suggestions that have been made with a view to make the Forest Department helpful to agriculture, and whether any steps have been taken by the Government of India in that direction, and if so, what are

[Mr. M. S. Aney.]

the suggestions, and what are the steps taken by the Provincial Governments, in pursuance of the instructions issued by the Government, and what are the ways in which the Government of India want to impress upon the Provincial Governments the necessity for taking prompt action to give effect to the recommendations of the Royal Commission on Agriculture, particularly in regard to forests. This is the third point which I want my Honourable friend, Sir Frank Noyce, to deal with in his reply. I think I have made my points clear. I do not want to go into the details, because I do not want to take up much time. I believe that definite information on these points will be of immense value to the Members on this side in voting the grant under this head.

Sir Frank Noyce (Secretary, Department of Education, Health and Lands): Sir, I believe that this is the first time, at any rate for many years, that the Department with which I am connected has emerged into the lime light during the discussion on the grants. (Hear, hear.) I wish it had done so on this occasion with reference to points regarding which it has greater responsibility than those it has at present under Forests. Forests, as the House is aware, is a provincial reserved subject, except in Bombay and Burma where it is a transferred subject. As regards the three points raised by my friend, Mr. Aney, I would, in the first instance, express my gratitude to him for putting them so clearly before the House. I hope I am in a position to give him a satisfactory reply in regard to all three of them. As regards the first, the question of the revision of the Indian Forest Act and, if necessary, the appointment of a committee to advise in that matter, I can tell him that the subject was referred to the Local Governments in 1927 and that the majority of them—practically all of them. I think—certainly the balance of opinion—were against the revision of the Act.

Mr. M. S. Aney: May I just interrupt the Honourable Member? Is the Honourable Member aware that the Central Provinces Government had already appointed a committee to investigate into this question and that that Committee is carrying on its investigation at this time?

Sir Frank Noyce: I am very glad to hear that, because that exactly proves the point which I am now about to make. The point is, as I have already said, that Forests is either a provincial reserved subject or a transferred subject and that the best way, therefore, of approaching this matter is for Local Governments to revise the Act on their own account as they have full authority to do, except in one comparatively unimportant respect, I think, and that is the disafforestation of forests over a certain area in extent.

Mr. M. S. Aney: May I again interrupt the Honourable Member? I want to know whether it would be possible for the Honourable Member to inform us what Provincial Governments have expressed their opinions against the necessity of revising the Act? Is it possible for the Honourable Member to specify this?

Sir Frank Noyce: I can only repeat that the reasons against the Government of India undertaking a revision of the Act are that the provinces are in a far better position to do it themselves with reference to the local conditions and local needs. At this stage of constitutional development, it would, I think, be inadvisable to revise the Act on general lines for the whole of India, especially as we are on the eve of a further constitutional advance which, I think I may safely say, will involve further devolution in respect of forests to provinces, in which it is at present a provincial reserved subject. The proper way for this question to be dealt with is by the provinces themselves, and the Government of India have wisely abstained from interfering with their discretion in this matter.

Now, I come to the second point. My Honourable friend has drawn attention to what he considers has been the great growth of expenditure on forests in the centrally administered areas. I have figures, Sir, showing the annual expenditure for the last 29 years. I do not think it is necessary to go back further than 1921-22, and in that year I find that the expenditure on the Forest Department in Coorg was Rs. 6,30,000; in 1927-28, it was 2½ lakhs. In the North West Frontier Province, in 1921-22, it was 7½ lakhs and in 1927-28, it was just under 7 lakhs. In the Andamans it was nearly 13 lakhs in 1921-22 and 14½ lakhs in 1927-28. I need not refer to Baluchistan and Ajmer, as the forests in those arid tracts are not very extensive, and neither the revenue nor the expenditure on them amounts to very much. Now, Sir, even if the figures I had given showed that there had been a great increase of expenditure on forests—actually there has only been an increase in the Andamans—I submit that it would have been perfectly justified. The complaint which I think might justly be brought against the Government in this matter is that they have not spent enough on the forests in the North West Frontier Province or in the Andamans, and that it is only now that they are beginning to make an endeavour to remedy deficiencies in this respect.

Nawab Sir Sahibzada Abdul Qaiyum (North West Frontier Province: Nominated Non-Official): Is it not a fact that a large tract under forests in the tribal area of the North West Frontier Province has been taken over by the Government of India, for which the Indian taxpayer has not paid a single penny, and the income of which will come to the Government of India in due course?

Sir Frank Noyce: I am sure the Honourable the Finance Member will be glad to hear that. I have before me a Report by Mr. Parnell, a member of the Indian Forest Service, who was appointed to investigate certain forest questions in the North West Frontier Province. He reported that at present there is no scientific management of the forest areas lying in the unsettled tracts of the Province, and in the tribal territory beyond; in fact, he has stated that the forests have been destroyed rapidly by indiscriminate feeling. The management of these forests on scientific lines is of the utmost importance for conserving water in the important tributaries of the Indus river and for ensuring the growth of suitable timber for agricultural and domestic purposes. I submit, Sir, that, at any rate, the Members of this Assembly, who come from the Punjab, should whole-heartedly support the Government of India in any measures they take for the conservation and development of the forests in the North West Frontier Province for on the conservation of these forests depends in a large measure the economic welfare of the Punjab, especially on the conservation of the forest areas on the headwaters of the great rivers which flow from that Province into the Punjab. A proposal has been submitted to the Standing Finance Committee, and approved by them, for an expenditure. I think,

[Sir Frank Noyce.]

of about Rs. 80,000 on this measure of conservation during the forthcoming year, against which Government hope to realise about a lakh and a half on the timber imported.

Now, Sir, I turn to the Andamans. There again I want the House to realise that, in the forests of that island, covering, as they do, I think, about five-sixths of the whole island, the Government of India have an asset of the greatest potential value.

(At this stage Mr. President vacated the Chair which was taken by Mr. Deputy President.)

The Budget of this year for the Andamans contains proposals for expenditure of about Rs. 4½ lakhs on forests. I wish to follow the example of my Honourable friend, Mr. Aney, and not to make too long a speech, and therefore I will not repeat passages from the lengthy memorandum which has been submitted to the Standing Finance Committee, showing the present financial position and the future economic progress of the Forest Department in the Andaman Islands. I will refer my Honourable friend to the substance of that memorandum, which has been included in the proceedings of the Standing Finance Committee, and hope that it will convince him that Government are acting wisely in proposing, as they do, to expend some Rs. 4½ lakhs on the organisation and conservancy of forests, on the replacement and improvement of the present plant and on the introduction of mechanical extraction to supplement extraction by animals. The position as regards the Andamans is, Sir, that we are developing a most promising market abroad. If, as we hope, economical measures to extract timber and also to bring the supply up to the demand can be satisfactorily organised and if also freight can be satisfactorily arranged, so as to ensure prompt and regular compliance with orders, the forests of the Andaman Islands should prove a source of steadily increasing revenue to Government. I think, Sir, we are very wise in developing this asset on business lines.

The third point which my Honourable friend Mr. Aney raised was in regard to the recommendations of the Royal Commission on Agriculture in regard to forests. He asked, what had been done about them. They were referred to Local Governments, and I hope very shortly to place before this House a document showing the progress which has been made by the Local Governments, and not only by the Local Governments, but also by the Government of India, in giving effect to them. It is, as the House will see, a rather lengthy document. The only point Mr. Aney raised in regard to it, was to ask what the Local Governments have done in regard to the classification of their forest areas. It is all set down here. I do not know whether he would wish me to read it. Perhaps I think the best plan would be for me to give him one short extract—that relating to the Punjab. The Punjab Government reported:

"There is no room for any such reclassification —that is the reclassification proposed by the Royal Commission—in the Punjab. Practically all the major forests have already been handed over for cultivation and the question of the remainder is under consideration. The remaining forests in charge of the Forest Department are protective and commercial forests in the hills and low hills and must be preserved."

Mr. M. S. Aney: Is that typical of the opinions received from other provinces?

Sir Frank Noyce: There are also reports from Madras, the United Provinces, Burma, Bihar and Orissa and the Central Provinces. The Honourable Member will be interested to hear what the Central Provinces have said. They say that the matter will come under consideration by the Forest Inquiry Committee, to which it has been referred. I am afraid, Sir, that the majority of the Local Governments were not able to do very much in carrying out the recommendations of the Royal Commission on this matter. Possibly, owing to my own connection with the Commission, the Commission laid too great stress before what has been done in Madras in this matter, perhaps not realising sufficiently that conditions in Madras are rather different from those elsewhere. However, the Honourable Member will very shortly be able to satisfy himself not only why the provinces have not been able to do more than they have done in this respect, but also as to what they have done in regard to other matters; that is not only in regard to forests, but in regard to all the other recommendations contained in that very bulky volume, the Report of the Royal Commission on Agriculture. I hope my Honourable friend will find this explanation sufficiently satisfactory and will not desire to press his motion.

Mr. M. S. Aney: I ask the leave of the House to withdraw my motion.

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

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 8,39,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Forest'."

The motion was adopted.

DEMAND NO. 22—IRRIGATION (INCLUDING WORKING EXPENSES), NAVIGATION EMBANKMENT AND DRAINAGE WORKS.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to move:

"That a sum not exceeding Rs. 20,26,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works'."

The Famine Fund, Famine Protection and Irrigation.

Mr. N. C. Kelkar: Sir, I beg to move:

"That the Demand under the head 'Irrigation (including the Working Expenses), Navigation, Embankment and Drainage Works' be reduced by Rs. 100."

Sir, I wish to draw attention by this motion to the question of the famine fund, famine protection and irrigation. It may appear at the outset that we are again up against a provincial reserved subject. I know that irrigation is a provincial subject, but I intend to deal with the subject from an all-India point of view, and not from a provincial point of view. The Honourable the Finance Member is bent upon looking into many things and trying to solve many problems. Here is one problem which I would like to put before him, and it is such a problem that, if he will be able to solve it to some extent, I think he will be quite pleased. The point I wish to make is about the insufficiency of the amounts spent on irrigation works. In order to make out my point, I shall just give a

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few facts briefly. The total irrigated area in this country is only 18 per cent. of the total cropped area: that means that 82 per cent. of the area is still at the mercy of the monsoon; and for this area we are not able to do much practically. Then coming to the provinces, we find that, out of this 18 per cent. of irrigated area, Bombay has got as its share only 12 per cent., the United Provinces and Madras have got 24 per cent. each, and Punjab has got the largest share, namely, 45 per cent. Of course all these figures are out of the 18 per cent. of the total cropped area in the country. Out of this, let us take Bombay; and I am bringing up this question with special reference to Bombay, though it is an all-India question. When we turn to Bombay, we find that, out of 328 lakhs of acres under cultivation, only 41 lakhs of acres are under irrigation; and out of that 41 lakhs of acres, 30 are in Sind alone. Therefore it comes to this, that the Bombay Presidency proper has got to its credit at present only 11 lakhs of acres out of 218 lakhs of cropped area. That is, not more than four per cent.; and I suppose it is generally recognised that the Bombay Presidency stands in the greatest need of irrigation—more than any other province in India. Out of these 11 lakhs of acres under irrigation, again, the State canals do not irrigate even half of these lands: the rest is done by well irrigation from private wells.

I have given this House, in a small compass, what a small area is really benefitted by irrigation in the Bombay Presidency proper. Now, Sir, special engineers were appointed from time to time to consider this question, because it was found that the Bombay Presidency suffered perhaps more than some other presidencies from famines, and the reports of the engineers were before the Bombay Government for about 25 years. Some works, out of the works suggested, were of course taken in hand; and one of them is the Nira canal. But two or three other works and projects are remaining yet in the files of the Department and they have not been tackled. I may give one specific instance of the condition of the Bombay Presidency in this matter, and that is about the special inquiry which was set on foot by Sir Chunilal Mehta, when in charge of irrigation, by appointing a special engineer with an establishment under him. That was in 1925, and the latest I hear is that that Department has been closed from the 1st of March. I understand some projects have been prepared by that engineer and perhaps one of them has been put into operation; but, generally speaking, all these efforts and investigations have ended only in paper projects, which will now remain on the shelf. What is the reason for this? The reason alleged is of course financial stringency. We all know that the Bombay Government are on the point of bankruptcy. It was a wonderful sight to see the Bombay Government somehow balancing its Budget this year; but we must remember that, in whatever way Bombay may be balancing its Budget, we know for a fact that the Bombay Government have already spent crores of rupees and wasted them, for example, in development schemes which refuse to develop, reclamation schemes which no one claims to be wise or prudent—not even its authors, and building of chawls which refuse to be tenanted. That is the sum and substance of the different projects upon which the Bombay Government have actually wasted crores and crores of rupees. Of course I cannot say that about the Sukkur Barrage which will require a cost of about Rs. 20 crores, I am told. There are two opinions about the success of the Sukkur Barrage, but I will not go into that now—no one knows what is going to happen, considering especially the vagaries of the Indus River; but we all hope, at any rate, that in return for the great cost that is being incurred, Sind will be greatly benefited by this barrage.

But, what about the Bombay Presidency proper? As I have just now told the House, a very small percentage of the cropped area is under irrigation. It is this presidency which is the most liable to the vagaries of the monsoon; it is more or less a hilly country, arid country; and that presidency therefore requires more than any other the artificial aid of irrigation. But it is precisely in that province that, while crores of rupees have been spent upon these mad projects, sufficient money is not being found to carry on the Department which was set up in 1925 and to give effect to the projects which are already in existence and for preparing new projects. That is the state of things in the Bombay Presidency. Now, why is this happening? I say this happens because the Provincial Governments are abusing their financial powers, and the Central Government have not got sufficient control. Of course I do not wish to say that there should be no provincial financial autonomy. Certainly Provincial Governments should be entitled to claim that autonomy, but why I bring in the Central Government is this; that just as the railways are an all-India department, and the Government of India regard themselves as responsible for their advancement, similarly irrigation is a subject which is really an all-India subject, though for the sake of administrative convenience it might have been handed over to the provinces.

With regard to loans raised for these schemes, I think they have, first of all, to get the consent of the Indian Government, and no project is put forward or can be kept back, once it is in progress, without the consent of the Central Government.

Now, Sir, why do I bring together these two things, railways and irrigation? I do it for this reason, that somehow Government have had a soft corner in their hearts for railways and not for irrigation; though it can be proved definitely on paper that irrigation is after all more beneficial to the people at large than railways. What is the service that the railways render? They carry food. But how can the railways carry food if the fields do not produce the food crops? Therefore we must primarily concern ourselves with helping agriculture to produce the food crops, rather than the railways or roads to carry the food. That is the problem, and it can be conclusively shown that, whereas crores and crores have been spent upon railways and especially guaranteed railways, money has always been denied to irrigation works. Now, if there are famines, it is the primary duty of the Government to spend on famine relief, and Government have spent not a little on that head. In 1865 they spent one crore of rupees on famine relief, in 1876 they spent 8½ crores of rupees, in 1896 they spent something like 7 crores, and in 1899, a year in which India had seen one of the greatest famines, Government had to spend about 15 crores of rupees. Of course, I quite recognise that, in famine times, the railways do help to carry the food from one tract to another, from one province to another, and in that way they help to keep down the misery of famine. But that is once in a way. Now, what do the Railways do with regard to the rural population in ordinary times? I do not think they are so serviceable. They only, instead of helping the villager to produce more food, I suppose, bring to his very door many

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really useless trinkets for which he bargains his food. I wish he could be prevented from bargaining his food for the trinkets, which are ultimately practically useless to him.

Now, look at the financial aspect of it. Have the Railways paid Government more or has Irrigation paid more? From the facts I have got, I can say that, after all, irrigation has paid Government more than the Railways have paid. In respect of irrigation we have got an estate worth about 108 crores of rupees, and it pays us 6·47 per cent. of interest. On the other hand, we have got on a Railway estate of 700 crores of rupees that pays us, I suppose, over 5·4 per cent. of interest. There is a clear difference of one per cent., taking all investments for all these years together, and therefore it is obvious that we must spend more on irrigation, because irrigation is a more beneficial and business-like proposition than the Railways . . . .

Mr. Deputy President: I hope the Honourable Member will now conclude his remarks.

Mr. N. C. Kelkar: I shall not read any extracts now. I will simply call the attention of the Honourable the Finance Member to paragraph 351 of the Famine Commission's Report of 1901. In that Report it is stated that preference should be shown to Irrigation works rather than to Railways. Then I will read out just one remark, and it is this:

> "The test of a productive work requires that within ten years of its commencement, the project should meet all the working expenses as well as the interest charged from the date of its initiation. None of the Railways" *(here is an observation which should be borne in mind by the Government)*—"none of the Railway Companies could have satisfied the rigid test laid down for productive irrigation works, or shown a satisfactory position after meeting all charges that the irrigation works show."

Mr. Deputy President: Order, order. I think the Honourable Member must now conclude.

Mr. N. C. Kelkar: Sir, that brings me to the end of my theme, and that theme is that Government ought to spend more on irrigation than on railways, and let us all welcome the break in the mad career of the extension of the railways which we seem to have reached.

The Honourable Sir George Schuster: Sir, I am replying to my Honourable friend's motion, although the subject with which he is dealing is really and properly, according to its title, the responsibility of my Honourable colleague, the Member for Industries and Labour. But, Sir, I am speaking in reply for two reasons, first because my friend addressed his remarks very particularly to myself, and secondly because,—and I hope that you, Sir, and my friend will excuse me for saying so,—the whole of his speech was entirely irrelevant to the motion before the House. The motion before the House relates to irrigation in centrally administered areas, and my Honourable friend's speech, I think, dealt entirely with irrigation in the provinces . . . .

Mr. N. C. Kelkar: I want the Government to extend their operations in respect of irrigation to . . . . .

The Honourable Sir George Schuster: But when my Honourable colleague, the Member for Industries and Labour, brought this point to my notice, I particularly asked him not to raise a point of order, because I myself was so much interested in what my Honourable friend was saying on the subject. The subject which he has raised is one in regard to which I must tread very warily, for it is almost impossible for me to avoid stepping on somebody else's toes if I gave a sympathetic reply. For instance, if I expressed my whole-hearted agreement with him that the Government of India had attempted in the past to consider railway developments almost exclusively, to the detriment of other forms of economic development, I should obviously offend my friend the Member for Commerce. But perhaps he will allow me to go so far as to say that I have listened to the case which has been made, with very great interest and with a very great measure of sympathy. For, after all, what we are aiming at is, as the Honourable the Mover has pointed out, economic production, and economic production begins with agriculture, and the surest form of agriculture in a country like India is that with irrigation. But it is impossible to say very much on this subject, because it is so very largely at present a provincial subject. But there again I would like to venture on an expression of sympathy with my friend's arguments, because, although irrigation is a provincial subject, the Government of India as the bankers for the provinces, have a very close interest in the results.

My friend has referred to the Sukkur Barage scheme. There, although the Government of India have no control over the policy of development, the Government of India unfortunately have to find funds for carrying it out, and if the results are unsatisfactory, it is on the Government of India that the chief financial burden, so far as ways and means are concerned, will fall. I would only like to say this, as regards the province of Bombay, to which my friend referred. So far as I have had an opportunity, I have, in virtue of my position as a banker primarily to the province, attempted to take a great interest in what has been done and what is being done, and although we are now in a state of considerable financial stringency, and although it is the policy of the Government to restrict capital expenditure, I have gone so far, in dealing with the Government of Bombay, as to say that, if money is required for the proper development of a project like the Sukkur Barage scheme, and especially the proper development of the agricultural side of such a project, the Government of India would do their very best to see that money was available on terms which did not make the burden too heavy for the Government of Bombay. It is essential that our financial resources should be applied to those purposes which are going to give increased production of wealth in the country. On that I think I need say no more except this, that possibly in the course of the discussions which I hope to have shortly, together with my colleagues, with the representatives of non-official parties on a suggestion which was made in the course of the debate by my friend, Mr. Shanmukham Chetty, as regards the constitution of something on the lines of an Economic Advisory Council, it may be possible that such a subject as this will find an appropriate place. I feel that this is one of the subjects on which it is necessary for us to have some means of combining the various departments and sharing our views with representatives of public opinion. Sir, I hope that, if my friend will agree with the view I have taken, that his speech was irrelevant to the motion which he has moved, he will be prepared to withdraw his motion for the cut he has asked for.

Mr. N. C. Kelkar: I withdraw my motion, Sir.

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

Mr. Deputy President: The question is:

"That a sum not exceeding. . . . "

Mr. B. Das (Orissa Division: Non-Muhammadan): I also have a motion No. 33,* Sir, and I want to speak.

Government's Embankment Policy.

Mr. E. F. Sykes (Bombay: European): Sir, I move:

"That the Demand under the head 'Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works' be reduced by Rs. 100."

I am moving this cut in the hope that Government will give some further explanation of their embankment policy. The only exposition of the policy which we have had is the one that was given during a debate in another place during the September Session, and the view of the Government of India and its professional advisers, which was then given to the Council of State, was that the method of controlling floods by the erection of bunds on the banks of the rivers concerned was not a suitable one, and the reason given was that, as a result of this procedure, the beds of the rivers would almost certainly rise.

That may or may not be the case. Most people of experience in works of this class would probably hold that the construction or non-construction of bunds has very little to do with the levels of the rivers. The view of the Government therefore requires justification on other grounds, and as no others have been given those interested in this matter, they are curious to know how the Government have arrived at their conclusion. The more so as some ten years ago the Government of India spent large sums of the British taxpayer's money on works of precisely this character on the Euphrates and the Tigris. I have therefore moved this cut in order to enable Government to explain their policy.

The Honourable Sir Bhupendra Nath Mitra (Member for Industries and Labour): Sir, I have not got much time to reply at length to my Honourable friend Mr. Sykes, but I am afraid he has misapprehended as a declaration of policy a quotation made by the Secretary in the Department of Industries and Labour in another place from a note by the Consulting Engineer to the Government of India. However, Sir, I find that a committee of expert irrigation engineers, which dealt with the question of the Orissa floods, and which consisted of Mr. Addams Williams, Mr. Bishan Svarup and Mr. D. G. Harris have more or less subscribed to the same view. I shall read a passage from that Report. This is from paragraph 17, on page 8 of the Report, and I give the reference in case I cannot finish reading the quotation:

"It must be clearly grasped that, in a deltaic area, there must be flooding; it is nature's method of land formation, and any efforts to prevent it are doomed to failure from the outset. It might, for example, be suggested that every river should be embanked on both sides from the point where it leaves the hills to the sea; the result would merely be that it would deposit silt in its bed, the bed would rise, the floods would rise and the embankments have to be raised to correspond, until eventually these embankments would reach a size at which they could no longer be maintained, etc. etc."

*"That the Demand under the head 'Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works' be reduced by Rs. 100. (Appointment of Water-way Engineers to control floods and waterways.)"

If after the expression of that opinion by this Committee the Government of Bihar and Orissa *follow* that advice, they are welcome to do so, but the Government of India have so far not declared any policy in the matter.

Mr. Deputy President: *Order, order.* Do you want to press your motion Mr. Sykes?

Mr. E. F. Sykes: I am *waiting* to hear the Government explanation.

Mr. Deputy President: The time is up. Do you want to withdraw?

Mr. E. F. Sykes: I do not wish to withdraw.

Mr. Deputy President: The time is now over (it being Five of the Clock).

5 P.M. The question is:

"That the Demand under the head 'Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works' be reduced by Rs. 100."

The motion was negatived.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 20,26,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works'."

The motion was adopted.

DEMAND NO. 23.—INDIAN POSTS AND TELEGRAPHS DEPARTMENT (INCLUDING WORKING EXPENSES).

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 11,34,04,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Indian Posts and Telegraphs Department (including Working Expenses)'."

The motion was adopted.

DEMAND NO. 24.—INDO-EUROPEAN TELEGRAPH DEPARTMENT (INCLUDING WORKING EXPENSES).

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 20,33,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Indo-European Telegraph Department (including Working Expenses)'."

The motion was adopted.

DEMAND NO. 25.—INTEREST ON DEBT AND REDUCTION OR AVOIDANCE OF DEBT.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 1,35,33,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Interest on Debt and Reduction or Avoidance of Debt'."

The motion was adopted.

DEMAND No. 26.—INTEREST ON MISCELLANEOUS OBLIGATIONS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 47,37,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Interest on Miscellaneous Obligations'."

The motion was adopted.

DEMAND No. 27.—STAFF, HOUSEHOLD AND ALLOWANCES OF THE GOVERNOR GENERAL.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 4,97,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Staff, Household and Allowances of the Governor General'."

The motion was adopted.

DEMAND No. 29.—COUNCIL OF STATE.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 1,22,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Council of State'."

The motion was adopted.

DEMAND No. 30.—LEGISLATIVE ASSEMBLY AND LEGISLATIVE ASSEMBLY DEPARTMENT.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 7,47,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Legislative Assembly and Legislative Assembly Department'."

The motion was adopted.

DEMAND No. 31.—FOREIGN AND POLITICAL DEPARTMENT.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 8,66,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Foreign and Political Department'."

The motion was adopted.

DEMAND No. 33.—PUBLIC SERVICE COMMISSION.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 92,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Public Service Commission'."

The motion was adopted.

DEMAND No. 34.—LEGISLATIVE DEPARTMENT.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 3,57,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Legislative Department'."

The motion was adopted.

DEMAND No. 35.—DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 6,22,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Department of Education, Health and Lands'."

The motion was adopted.

DEMAND No. 37.—SEPARATION OF ACCOUNTS FROM AUDIT.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 16,00,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Separation of Accounts from Audit'."

The motion was adopted.

DEMAND No. 38.—COMMERCE DEPARTMENT.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 3,57,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Commerce Department'."

The motion was adopted.

DEMAND No. 40.—DEPARTMENT OF INDUSTRIES AND LABOUR.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 5,15,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Department of Industries and Labour'."

The motion was adopted.

DEMAND No. 41.—CENTRAL BOARD OF REVENUE.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 2,04,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Central Board of Revenue'."

The motion was adopted.

DEMAND No. 42.—PAYMENTS TO PROVINCIAL GOVERNMENTS ON ACCOUNT OF ADMINISTRATION OF AGENCY SUBJECTS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 1,25,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Payments to Provincial Governments on account of Administration of Agency subjects'."

The motion was adopted.

DEMAND No. 43.—AUDIT.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 92,72,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Audit'."

The motion was adopted.

DEMAND No. 44.—ADMINISTRATION OF JUSTICE.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 58,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Administration of Justice'."

The motion was adopted.

DEMAND No. 45.—POLICE.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 1,93,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Police'."

The motion was adopted.

DEMAND No. 46.—PORTS AND PILOTAGE.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 11,69,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Ports and Pilotage'."

The motion was adopted.

DEMAND No. 47.—LIGHTHOUSES AND LIGHTSHIPS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 12,64,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Lighthouses and Lightships'."

The motion was adopted.

DEMAND No. 48.—SURVEY OF INDIA.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 32,84,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Survey of India'."

The motion was adopted.

DEMAND No. 49.—METEOROLOGY.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 18,00,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Meteorology'."

The motion was adopted.

DEMAND No. 50.—GEOLOGICAL SURVEY.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 2,74,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Geological Survey'."

The motion was adopted.

DEMAND No. 51.—BOTANICAL SURVEY.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 2,84,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Botanical Survey'."

The motion was adopted.

DEMAND No. 52.—ZOOLOGICAL SURVEY.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 1,92,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Zoological Survey'."

The motion was adopted.

DEMAND No. 53—ARCHÆOLOGY.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 16,33,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Archæology'."

The motion was adopted.

DEMAND No. 54.—MINES.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 1,72,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Mines'."

The motion was adopted.

DEMAND No. 55.—OTHER SCIENTIFIC DEPARTMENTS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 3,32,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Other Scientific Departments'."

The motion was adopted.

DEMAND No. 56.—EDUCATION.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 15,72,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Education'."

The motion was adopted.

DEMAND No. 57.—MEDICAL SERVICES.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 6,89,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Medical Services'."

The motion was adopted.

DEMAND No. 58.—PUBLIC HEALTH.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 11,87,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Public Health'."

The motion was adopted.

DEMAND No. 59.—AGRICULTURE.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 32,46,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Agriculture'."

The motion was adopted.

DEMAND No. 60.—CIVIL VETERINARY SERVICES.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 7,82,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Civil Veterinary Services'."

The motion was adopted.

DEMAND No. 61.—INDUSTRIES.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 2,00,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Industries'."

The motion was adopted.

DEMAND No. 62.—AVIATION.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 26,24,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Aviation'."

The motion was adopted.

DEMAND No. 63.—COMMERCIAL INTELLIGENCE AND STATISTICS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 3,21,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Commercial Intelligence and Statistics'."

The motion was adopted.

DEMAND No. 64.—CENSUS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 8,34,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Census'."

The motion was adopted.

DEMAND No. 65.—EMIGRATION—INTERNAL.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 38,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Emigration—Internal'."

The motion was adopted.

DEMAND No. 66.—EMIGRATION—EXTERNAL.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 2,03,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Emigration—External'."

The motion was adopted.

DEMAND No. 67.—JOINT STOCK COMPANIES.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 1,37,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Joint Stock Companies'."

The motion was adopted.

DEMAND No. 68.—MISCELLANEOUS DEPARTMENTS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 5,91,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Miscellaneous Departments'."

The motion was adopted.

DEMAND No. 69.—INDIAN STORES DEPARTMENT.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 9,03,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Indian Stores Department'."

The motion was adopted.

DEMAND No. 70.—CURRENCY.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 49,27,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Currency'."

The motion was adopted.

DEMAND No. 71.—MINT.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 25,49,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Mint'."

The motion was adopted

DEMAND No. 72.—CIVIL WORKS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 2,74,65,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Civil Works'."

The motion was adopted.

DEMAND No. 73.—SUPERANNUATON ALLOWANCES AND PENSIONS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 40,40,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Superannuation Allowances and Pensions'."

The motion was adopted.

DEMAND No. 74.—STATIONERY AND PRINTING.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 51,34,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Stationery and Printing'."

The motion was adopted.

DEMAND No. 75.—MISCELLANEOUS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 22,52,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Miscellaneous'."

The motion was adopted.

DEMAND No. 76.—REFUNDS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 62,32,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Refunds'."

The motion was adopted.

DEMAND No. 78.—BALUCHISTAN.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 33,19,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Baluchistan'."

The motion was adopted.

DEMAND No. 79.—DELHI.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 44,48,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Delhi'."

The motion was adopted.

DEMAND No. 80.—AJMER-MERWARA.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 15,52,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Ajmer-Merwara'."

The motion was adopted.

DEMAND No. 81.—ANDAMAN AND NICOBAR ISLANDS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 49,26,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Andamans and Nicobar Islands'."

The motion was adopted.

DEMAND No. 82.—RAJPUTANA.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 5,55,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Rajputana'."

The motion was adopted.

DEMAND No. 83.—CENTRAL INDIA.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 5,80,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Central India'."

The motion was adopted.

DEMAND No. 84.—HYDERABAD.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 3,36,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Hyderabad'."

The motion was adopted.

DEMAND No. 85.—EXPENDITURE IN ENGLAND—SECRETARY OF STATE FOR INDIA.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 17,66,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Expenditure in England—Secretary of State for India'."

The motion was adopted.

DEMAND No. 86.—EXPENDITURE IN ENGLAND—HIGH COMMISSIONER FOR INDIA.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 35,64,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Expenditure in England—High Commissioner for India'."

The motion was adopted.

B.—Expenditure charged to Capital.

DEMAND No. 87.—CAPITAL OUTLAY ON SECURITY PRINTING.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 45,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Capital Outlay on Security Printing'."

The motion was adopted.

DEMAND No. 88.—FOREST CAPITAL OUTLAY.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Forest Capital Outlay'."

The motion was adopted.

DEMAND No. 89.—IRRIGATION.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 94,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Irrigation'."

The motion was adopted.

DEMAND No. 90.—INDIAN POSTS AND TELEGRAPHS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 69,61,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Indian Posts and Telegraphs'."

The motion was adopted.

DEMAND No. 91.—INDO-EUROPEAN TELEGRAPHS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Indo-European Telegraphs'."

The motion was adopted.

DEMAND No. 92.—CAPITAL OUTLAY ON CURRENCY NOTE PRESS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 1,88,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Capital Outlay on Currency Note Press'."

The motion was adopted.

DEMAND No. 93.—CAPITAL OUTLAY ON VIZAGAPATAM HARBOUR.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 34,18,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Capital Outlay on Vizagapatam Harbour'."

The motion was adopted.

DEMAND No. 94.—CAPITAL OUTLAY ON LIGHT HOUSES AND LIGHT SHIPS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Capital Outlay on Lighthouses and Light Ships'."

The motion was adopted.

DEMAND No. 95.—COMMUTED VALUE OF PENSIONS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 27,00,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Commuted Value of Pensions'."

The motion was adopted.

DEMAND No. 96.—NEW CAPITAL AT DELHI.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 1,00,08,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'New Capital at Delhi'."

The motion was adopted.

C.—Disbursements of Loans and Advances.

DEMAND No. 97.—INTEREST FREE ADVANCES.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 94,56,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Interest free Advances'."

The motion was adopted.

DEMAND No. 98.—LOANS AND ADVANCES BEARING INTEREST.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 7,62,15,000 be granted to the Governor General in Council to defray the charges, which will come in course of payment, during the year ending the 31st day of March, 1931, in respect of 'Loans and Advances bearing interest'."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 13th March, 1930.

LEGISLATIVE ASSEMBLY.

Thursday, 13th March, 1930.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

MEMBER SWORN:

Mr. Kunj Behari Lal Agnihotri, M.L.A. (Central Provinces Hindi Divisions: Non-Muhammadan).

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following Message has been received from the Secretary of the Council of State:

"I am directed to inform you that the Council of State has, at its meeting held on the 12th March, 1930, passed, without any amendment, the following Bills, which were passed by the Legislative Assembly at its meeting held on the 27th February, 1930, namely,

The Bill further to amend the Cantonments (House-Accommodation) Act, 1923, for a certain purpose.

The Bill to amend the law relating to insolvency for certain purposes."

BILLS PASSED BY THE COUNCIL OF STATE LAID ON THE TABLE.

Secretary of the Assembly: Sir, in accordance with the provisions of Rule 25 of the Indian Legislative Rules, I lay on the table the following two Bills which were passed by the Council of State at its meeting held on the 12th March, 1930:

A Bill to amend the Transfer of Property (Amendment) Supplementary Act, 1929, for a certain purpose.

A Bill to amend the Destructive Insects and Pests Act, 1914, for a certain purpose.

STATEMENT OF BUSINESS.

The Honourable Sir James Crerar (Leader of the House): Sir, with your permission, I desire to make a statement as to the probable course of business in the week beginning Monday, the 17th March. The main business before this House in that week will be the Finance Bill and, unless it is disposed of today, the Bill, which is on the paper in the name of the Honourable Sir George Rainy, further to amend the Indian Tariff Act, 1894, and to amend the Indian Tariff (Cotton Yarn Amendment) Act, 1927. Owing to the disturbance of trade caused by uncertainty on this matter, it is very urgent that a definite conclusion as regards this particular measure should be reached at the earliest possible moment, and Government must decide their course of action next week as regards it and the Finance Bill according to the progress made today. In any case, the first items on the paper for Monday, the 17th will be (1) the election of Members to the Public Accounts Committee in place of Mr. Shervani, Mr. S. C. Mitra and Mr. Ganganand Sinha, and (2) a motion for the election of Members to the Haj Committee. Additional items of business which will be taken up after the House has disposed of the Finance Bill and the Honourable Sir George Rainy's Bill are Supplementary Demands under the General Budget, the election of Members to Standing Committee on Roads, which is to take place on the 18th March, and the election of Members to the Haj Committee, which is to take place on the 21st March. Besides the Bills already mentioned, the outstanding legislative business is as follows:

(1) The Bill further to amend the Indian Companies Act, 1913, which has been reported by a Select Committee. Motions will be made to take into consideration and pass this Bill.

(2) The agreement of the House will be asked to formal amendments made by the Council of State in the two Indian Income-tax (Amendment) Bills, passed early in the Session by this House.

(3) Two other small Bills, namely, a Bill to amend the Transfer of Property (Amendment) Supplementary Act, 1929, and a Bill to amend the Destructive Insects and Pests Act, 1914, which have been passed by the Council of State, will be brought before this House on motions for consideration, and thereafter motions will be made that they be passed.

So much of this business hereinbefore mentioned, which is not concluded in the week ending March, the 22nd, will be taken in the following week, when the remaining outstanding business will also be put on the agenda. This business includes a motion by the Honourable Sir Bhupendra Nath Mitra relating to the recommendations of the International Labour Conference on the subject of the prevention of industrial accidents and the protection of power-driven machinery. It also includes the motion for taking into consideration the Report of the Select Committee on the amendment of the Standing Orders. Other items of business remaining to be taken before the end of the Session are the Excess Demands and the discussion of the Report of the Public Accounts Committee on the accounts for 1927-28.

ELECTION OF THE STANDING FINANCE COMMITTEE.

Mr. President: I have to inform the Assembly that up to 12 Noon on Saturday, the 8th March, 1930, the time fixed for receiving nominations for the Standing Finance Committee, 16 Members were nominated of which two, namely, Mian Mohammad Shah Nawaz and Sardar Gulab Singh, have since withdrawn their candidature. The number of remaining candidates being equal to the number required, I declare the following Members to be duly elected, namely:

1. Maulvi Sayyid Murtuza Saheb Bahadur.
2. Nawab Sir Sahibzada Abdul Qaiyum.
3. Mr. M. K. Acharya.
4. Mr. Amar Nath Dutt.
5. Mr. Gaya Prasad Singh.
6. Mr. Fazal Ibrahim Rahimtulla.
7. Mr. Sarabhai Nemchand Haji.
8. Mr. Bhupatiraju Sitaramaraju.
9. Rai Bahadur Satya Charan Mukerjee.
10. Mr. Anwar-ul-Azim.
11. Mr. E. F. Sykes.
12. Mr. Arthur Moore.
13. Lala Rang Behari Lal.
14. Rai Sahib Harbilas Sarda.

THE HINDU GAINS OF LEARNING BILL.

Presentation of the Report of Select Committee.

Mr. M. R. Jayakar (Bombay City: Non-Muhammadan Urban): Sir, I beg to present the Report of the Select Committee on the Bill to declare gains of learning by a Hindu to be his separate property.

STATEMENT LAID ON THE TABLE.

Purchase of Stores by the High Commissioner for India.

The Honourable Sir Bhupendra Nath Mitra (Member for Industries and Labour): I beg to lay on the table the statement furnished by the High Commissioner for India showing all cases in which the lowest tenders have not been accepted by him in the purchase of stores for the Government of India for the half-year ending the 31st December, 1929.

HIGH COMMISSION

INDIA STORE

ABSTRACT OF CASES in which tenders for stores demanded by the Central tion of the goods demanded, were accepted on the grounds greater facility of inspection,

HALF-YEAR ENDING

PART A.—*Cases in which lower foreign tenders, including British tenders British*

Stores ordered.	Contract Number.	Name of Contractor.	Amount of Contract.
			£ s. d.
Copper firebox plates.	K. 1311/1648/9-7-29	Linley & Co.	1,042 11 9 (British).
Axles, Crank, No. 180.	K. 1793/2405/17-8-29	Henschel and Sohn A. G. (offered No. 50 only) No. 50.	6,256 5 0 (German).
	K. 1791/2405/17-8-29	Fried Krupp A. G., No. 70.	8,785 0 0 (German).
	K. 1792/2405/17-8-29	English Steel Corpn., Ltd., No. 60.	7,995 0 0 (British).
			23,036 5 0
Copper firebox plates.	K. 1795/2383/17-8-29	Tréfileries et Laminoirs du Havre.	6,048 5 6 (French).
	K. 1796/2383/17-8-29	Linley & Co., Ltd.	1,642 3 9 (British).
			7,690 9 3

ER FOR INDIA.

DEPARTMENT.

Government, other than the lowest complying with the technical descrip- of superior quality, superior trustworthiness of the firm tendering, quicker delivery, etc.

31ST DECEMBER, 1929.

for foreign made goods, have been set aside wholly or partially in favour of tenders.

Lowest Tender not accepted.	Reason for acceptance
£ s. d.	
915 4 0 (German).	The copper plates were urgently required in India. The lowest tender offered very long delivery and the indentor was therefore asked whether it should be accepted, or, whether the urgency warranted acceptance of a higher tender offering quick delivery. In reply he asked that the lowest tender offering quick delivery should be accepted.
22,590 0 0 (German).	As the delivery required by the indentor could not be met by the two lowest tenderers, orders for two-thirds only of the requirements were placed with them, and the balance was ordered from the tenderer offering the quickest delivery.
7,333 8 6 (French).	The indentor cabled for the immediate supply of some of the plates, and for this portion the tender of the firm offering the quickest delivery was, therefore, accepted. The balance of the plates was ordered from the lowest tenderer, Messrs. Tréfileries et Laminoirs du Havre.

PART B.—*Cases in which the discrimina*

Stores ordered.	Contract Number.	Name of Contractor.	Amount of Contract.
			£ s. d.
Caissons and Well Curbs.	K. 1221/179/2-7-29	P. & W. MacLellan, Ltd.	12,297 14 0 (British).
Cords, telephone	K. 1516/383/24-7-29	International Electric Co., Ltd.	85 0 8
	K. 1517/383/24-7-29	Standard Telephones and Cables, Ltd.	556 3 2
			641 3 10 (British).
Steel sheets	K. 1555/2109/26-7-29	David Colville & Sons, Ltd.	24 15 10 (British).
Padlocks	K. 2625/3677/14-10-29	Henry Harrison & Sons, Ltd.	190 16 8 (British).
Ground sheets	K. 3239/4185/30-11-29	Broadhurst & Co., Ltd.	3,661 16 8 (British).
Duck, linen	K. 3330/1886/6-12-29	A. McGregor & Co.	1,307 18 4
	K. 3329/1886/6-12-29	Baxter Bros. & Co., Ltd.	158 6 8
			1,466 5 0 (British).

tion is between British firms only.

Lowest Tender not accepted.	Reason for acceptance
£ s. d.	
11,953 16 0 (British).	The order was placed with the second lowest tenderer in order to obtain the delivery required.
584 5 1 (British).	Owing to lack of experience the firm submitting the lowest tender were entrusted with a trial order only, the cords being difficult to make and urgently required. The bulk of the order was placed with the next lowest tenderer who had made previous satisfactory supplies.
16 13 2 (British).	The accepted tender was the only quotation offering delivery in accordance with the indent requirements.
187 7 1 (British).	The order was placed with the second lowest tenderer in order to obtain the delivery required.
3,659 8 2 (British).	The order was placed with the second lowest tenderer in order to obtain the delivery required.
1,460 0 0 (British).	The indentor asked for the earliest possible delivery. Messrs. Baxter Bros. offered 2,000 yards from stock, and an order for this quantity was accordingly placed with them. The balance of requirements was ordered from the lowest tenderer.

ELECTION OF A MEMBER TO THE STANDING COMMITTEE ON ROADS.

Mr. President: Members will now proceed to elect a member to the Standing Committee on Roads in the vacancy caused by the resignation of Kumar Ganganand Sinha. There are two candidates whose names are printed on the ballot papers which will now be supplied to Honourable Members in the order in which I call them.

(The ballot was then taken.)

THE COTTON TEXTILE INDUSTRY (PROTECTION) BILL.

The Honourable Sir George Rainy (Member for Commerce and Railways): Mr. President, I move that the Bill further to amend the Indian Tariff Act, 1894, and to amend the Indian Tariff (Cotton Yarn Amendment) Act, 1927, be taken into consideration.

It would be in accordance with past practice, Mr. President, if I were to speak at length when asking the House to take into consideration an important measure such as the Bill we have before us. I do not think, however, that it will be necessary that I should inflict on the House a very long speech. My Honourable colleague, the Finance Member, made a very full statement in his budget speech, in which he made it clear how the problem to be solved appeared to Government, and indicated the considerations which had led them to the particular solution embodied in the Bill. I do not propose to traverse at length the same ground again, though before I sit down, I shall briefly recapitulate the main points. Again, I do not propose at this stage to develop in great detail the reasons which, in the view of the Government, justify them in asking the House to adopt this measure. Some aspects of the case I have attempted to examine in detail in a note, copies of which were circulated to all Members of the House yesterday morning; and I do not propose to say a second time what is said in the note, partly because that document is largely concerned with figures, and the art of making masses of figures intelligible in an oral explanation is not one to which I can aspire, but mainly because a more natural opportunity of amplifying or supplementing what is said in the note will present itself when some of the amendments on the paper are moved. The House is, I think, already in full possession of the views which the Government have formed and of the proposals to which their assent is asked; and at this stage my main task must be to explain briefly what the proposals are, to explain what exactly we are asking the House to do if it assents to the motion which I have moved, and also to explain why I have put down on the paper this precise motion.

Let me, Sir, before I come to the more important part of the subject say something about the provisions of clause 3 of the Bill. In 1927 an Act was passed imposing, for a period of two and a half years, a minimum specific duty of one and a half annas a pound on cotton yarn. This action was taken on account of a finding of the Tariff Board that labour conditions in Japan, as regards the hours of work of women and young persons, were such as to reduce the cost of production substantially, and that this competition was unfair. That date expires on the 31st March next, and it will be for the House to judge whether, as proposed by the Government of India,

it should be continued. The grounds on which the Government of India propose its continuance are not the same as those advanced in 1927. Since then, a new labour law has come into force in Japan, which has made a very considerable change in the situation. In 1927 there was no limitation on night work by women; but under the new law, night work is forbidden between the hours of 11 P.M. and 5 A.M. Now, in India the restriction imposed is narrower, and night work by women is forbidden between the hours of 7 P.M. and 5-30 A.M. We have ascertained, however, that in Japan, when two shifts are worked, the actual hours are only 8½ hours a day for each shift, which compares with 10 hours in India. The latest information we have also shows that, on the whole, in the Japanese mills, the women work for shorter hours, are paid somewhat higher wages, and are perhaps better housed and better looked after by their employers than in the Indian mills. In these circumstances, the Government of India felt it quite impossible to say that labour conditions in Japan were inferior and therefore that ground disappeared.

There remained, however, another matter to be considered. When I spoke of an Indian Yarn Tariff (Amendment) Bill in 1927 in this House, I drew attention to a very remarkable change which had appeared in the trade returns within the previous months. The trade figures had suddenly become reversed, and instead of an export trade in yarn from India to China, an import trade in yarn to about the same extent from China to India had come into existence. I pointed out then that that was a matter which Government would have to take into consideration when the time came to consider whether the duty was to be changed or not. Now the information we have is this. At present no limit is imposed on the hours of work either of men or women in Chinese mills, and a number of mills actually work for two 12-hour shifts; there is no restriction on the employment of children and the wages paid are very low. In the last two years, the average imports of cotton yarn from China has amounted to about 10½ million pounds a year, and the average value is low. On the basis of these facts, it seemed to the Government of India that a clear case for the continuance of the duty had been made out. Their attention, however, was called, towards the end of February, to the provisions of a new law, which it was proposed to bring into force, and which, if full effect were given to it might alter the situation materially. The law, according to our information, prohibits child labour under 14, fixes the daily working hours for adults at 8, with a possible extension to 10, prohibits work by women between 10 P.M. and 6 A.M., and provides for a weekly rest day. In its provisions, this law seems to be stricter than the law either in Japan or in India. It was promulgated on January 16th last. We have endeavoured to obtain information whether it was merely a project of the law, if I may say so, or whether it was actually being enforced. The information we have received is that no attempt has been made as yet to put it in practice. That is how the position stands today. Also yarn, produced under the conditions hitherto prevailing, must be on the market for a period of six months at least before any yarn manufactured under the conditions imposed by the new law, if that law were immediately to be brought into force, could come on the market. That being so, the Government of India felt they had no alternative but to proceed with the provision in the Bill providing for the continuance of the duty. If conditions change, and if it appears that labour conditions have been substantially altered for the better, then of course the question will be reconsidered. But I think I ought to say this, that the Government of India must hold themselves

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entirely free in that matter, and I do not propose to give any guarantee as to what the result of our consideration might be. We do not want frequent changes in the duty on yarn, and we must reserve entire freedom to continue the duty for the period of three years for which it is now proposed to continue it. On the other hand, the Government of India must also reserve liberty to place a measure before the House, if that were thought fit, proposing the discontinuance of the duty. But as things are at present, we have no hesitation in asking the House to approve of this particular provision in the Bill. I have dwelt at some length on this point, Mr. President, because on this point this is the first opportunity any one has had of making a statement on behalf of Government.

I turn now to the proposals in the Bill relating to cotton piece-goods. What are these proposals? As the House is aware, on revenue grounds alone, Government consider it necessary to raise the duty on cotton piece-goods from 11 to 15 per cent. Therefore, the Finance Bill contains a clause omitting the entry in the Tariff Schedule which imposes a duty of 11 per cent. *ad valorem* on all cotton piece-goods. The effect of that particular provision in the Finance Bill, if it stood alone, would be to bring piece-goods under the entry "Other manufactures of cotton not otherwise specified". In this Bill we propose certain further changes. In the first place, it is proposed to impose a duty of 20 per cent. *ad valorem* on piece-goods not of British manufacture; in the second place, the Bill imposes a minimum specific duty of 3½ annas a lb. on plain grey goods not of British manufacture; and in the third place, the Bill defines the term "plain grey goods" for the purposes of the specific duty. I should like to say something, Mr. President, on each of these points. The grounds for the first proposal are that, unless the duty on piece-goods imported from certain countries is raised to 20 per cent., the protection given will not be fully effective. The reasons for not applying the higher rate of duty to goods of British manufacture are first, that the import and production returns of the last 20 years indicate that, with an advantage under the operation of the customs and excise duties, varying from 4 to 11 per cent., large quantities of goods imported from the United Kingdom have been replaced by Indian goods. With the 15 per cent. duty, Government have no doubt that this process of replacement must continue at an accelerated rate. In their view, nothing in excess of 15 per cent. duty on such goods is needed by way of protection. The second reason is that the burden imposed upon the consumer is out of all proportion to the benefit to the manufacturer. I have dealt with that point, Mr. President, in the note to which I have referred, and I do not think I need take up the time of the House by going deeply into the matter again. In substance, what the Government of India feel is this, that the 20 per cent. duty imposed all round would raise the cost to the consumer of enormous quantities of goods which are not in effective competition with Indian made goods, and that the benefit which the Indian manufacturer could derive from the duty, within the period of three years for which it is proposed that it should be in force, would be very small, the reason being that the great bulk of British goods imported into India are woven from the finer counts of yarn, and it is not likely that, within a period of three years the Indian manufacturer would be able to produce any substantial quantity.

I turn now to the minimum specific duty on plain grey goods. Three reasons led Government to the conclusion that they ought to be dealt with specially. In the first place, these goods form the staple production of the Indian mills, and especially of the Bombay Mills. In Bombay, the production of plain grey goods is about half the total production and in the mills in the rest of India about two-fifths. In the second place, it is in respect of this class of goods that the competition from abroad is most keenly felt and it is in this class of goods that the growth of foreign imports has been most rapid and most noticeable. In particular, in the class which is shown in the trade returns as long cloth and shirtings, the increase in the imports from Japan during the last three or four years has been very remarkable. In the third place, Indian mills are capable of producing, as they stand equipped at present, very nearly the whole of the country's requirements of this class of goods, putting aside the jaconets and mulls which are woven from the finer counts and are not made in India. Here Government felt that the 3½-anna duty would lay no unnecessary burden on the consumer, and that special protection ought to be given at the point where it was most needed.

I come now to the third point, namely, the definition of plain grey goods. As that definition stands in the Bill, it covers goods other than those which would ordinarily be classed as plain grey. I should like to explain why this course was adopted. The reason was that, unless the definition was somewhat extended, the protection proposed to be given would to a certain extent be ineffective. In the first place, a new class of imports, especially from Japan, has come into existence in the last year or two, namely, *dhutis* with printed headings and we have evidence that, owing to the low price at which they come on the market, the competition of such goods is very keenly felt by the Indian mills. The definition includes as "plain grey" *dhutis* with printed headings, but excludes those with woven headings. In the second place, there is the danger of substitution. It would be a comparatively simple matter to substitute for a plain grey shirting, a similar shirting with a coloured woven stripe, and the protection would then become ineffective. Again, information has reached Government, that goods are being imported at low prices composed of bleached yarn with a pattern of coloured yarn. I understand that such goods would ordinarily be made from grey and coloured yarn and bleached in the piece afterwards. But in that case the yarn must be dyed in fast colours, but if bleached yarn is used, loose colours can be employed instead. The result is unsatisfactory alike to the purchaser and to the Indian mills, whose patterns are often imitated, and when the purchaser is dissatisfied with the imported goods, which he has purchased, he is very apt to transfer his dissatisfaction to the products of the Indian mills, which have been imitated. It was felt that, in the Bill, it was necessary, if possible, to provide against any danger of substitutions of the kind described.

Perhaps, Mr. President, I might turn now to what we are asking the House to do if they assent to my motion that the Bill be taken into consideration. I should like to make it clear that we do not ask the House, at this stage, to pass a final decision on the question whether, in the scheme of protection, there should be preference for British goods. If I were to ask the House to do that, I should be asking the House to rule out of discussion important amendments which stand in the name of Honourable Members opposite, and that is not my object. The principle

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of the Bill for present purposes must be taken to be this, that it is necessary, in existing circumstances, to protect the manufacture of cotton piece-goods in India, and beyond that, assent to this motion will not commit the House. On the other hand, having said so much, I must say more. I should be misleading the House if I conveyed the impression that Government have an open mind, or that they are prepared to discuss these various amendments on the footing that all of them are equally open for consideration. I have no desire whatever to mislead the House on that point, and indeed it would be entirely wrong if I did so. Drastic changes in the scheme embodied in the Bill, it would, I fear, be impossible for the Government to accept. But as regards one of these amendments, namely, that which stands in the name of my Honourable friend, Mr. Chetty, I am willing to say that, after full consideration, Government are prepared to accept that amendment.

I turn now, Mr. President, to another point. I think the practice has been very nearly invariable when a Tariff Bill is before the House, to ask the House to refer it to a Select Committee. I should like to explain why Government have not adopted this course on the present occasion, but have put down a motion for consideration. One reason is that the provisions of the Bill are not nearly so elaborate as the provisions of some Tariff Bills that the House will be able to recall. But that is not, of course, the main reason. The main reason is that Government regard the passage of this Bill, at a very early date, as of first class importance. My Honourable friend, the Leader of the House, in the Statement of Business which he gave the House a short time ago drew attention to the unsettlement of trade which must continue until the final decision on the question is reached. Now, if the Bill was sent to a Select Committee, a certain amount of delay would be inevitable, and Government are very anxious that that delay should not occur. It is obvious that, when substantial increases of duties are made, the merchants rightly and inevitably make the attempt to bring in large quantities of goods before the duties come into force. That, whether looked at from the point of view of protection or of revenue, is something which Government must be anxious to prevent if it can. Therefore, Government felt that the only thing to do in this case was to put down a motion for consideration and to ask the House to proceed with it as rapidly as possible.

I do not propose, Mr. President, to say very much more in moving my motion, but perhaps I might say something on the general point of view from which Government have approached the question. They have approached it from the point of view of their declared policy which has been approved by this House, the policy of discriminating protection. That policy requires that, when protection is given, it shall be given with due regard to the interests of the consumer. Now, that implies that account must be taken of the proportion which exists between the burden on the consumer and the benefit to the industry, and the measures taken must be such that the former is not excessive in proportion to the latter. Protection must, of course, be adequate for its purpose and it should be given to the extent necessary at the point where it is most needed. But as long as the policy of discriminating protection is the policy which commends itself to the Government of India and to this House, it should not go beyond these limits. My Honourable friend, the Finance Member,

explained in his budget speech that what we were proposing was a scheme with a limited objective for a limited period, and that the immediate object was the preservation of the industry or an important section of it, and not its ultimate development. The latter point is reserved for consideration during the Tariff Board's inquiry, which, if the provisions of this Bill are accepted by the House, would be held in the year 1932-33. When I say a limited objective. I refer especially to the condition of things which exists in the cotton mill industry in the Bombay Island. The situation there has been a cause of anxiety to Government throughout the past year and they have given much anxious time and thought to it. About the situation as it exists today, I do not think there can be any doubt, for all the information that reaches Government is to the effect that emergent measures are necessary if very dangerous results are to be avoided. Quite obviously, the repercussions on the economic life in the city and the Presidency of any collapse in the Bombay mill industry would be exceedingly serious. It is on this ground that the Government of India are asking the House to take emergency action and to proceed with this Bill, notwithstanding the fact that it is not based on any detailed recommendations made by the Tariff Board.

Now, Mr. President, as regards this question of protection for the cotton textile industry, we have explained as fully as we can what our objects are, the methods by which we seek to attain them, and the reasons which, in our judgment, justify them. We have laid on the table the correspondence which has passed between His Majesty's Government and the Government of India. We have taken the House fully into our confidence and we must now leave the question for the judgment of the House. The Government of India believe that the scheme they have put forward is the best that could be devised in the interests of India, in the present circumstances, and that no variant would be equally effective or equally fair to all the interests concerned. They frankly recognise that, as my Honourable colleague, made plain in his budget speech, the method adopted involves a preference to British manufactures, and he also made it clear that, in our view, this preference, far from being injurious to India's interests, was, when all the circumstances were taken into account, likely to further these interests and not to prejudice them. Unless we were convinced of this, no Member of the Government would have made himself responsible for the Bill. With these words, Sir, I confidently leave the Bill to the judgment of the House. (Applause.)

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, I beg to ask for some information from the Honourable Sir George Rainy. We are grateful for the correspondence between the Government of India and His Majesty's Government that was laid on the table yesterday. Will the Honourable Member also please lay on the table the first communication which he made to the Secretary of State intimating to him the proposals which the Government of India wanted to put forward in regard to the cotton duties. That communication has not been laid on the table. Will the Honourable Member be pleased to do so now?

The Honourable Sir George Rainy: I am afraid I cannot comply with the wish of the Honourable the Leader of the Opposition. The correspondence to which he refers, the letter containing the original proposals

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of the Government of India is part of the correspondence which is entirely confidential. Opportunities will naturally occur at later stages in our discussions when I could make a fuller statement as to the position of the Government of India prior to the receipt of the Cabinet's message. I am reluctant to do so at this stage, because I think it would come in much more appropriately and much more clearly at a later stage.

Pandit Madan Mohan Malaviya: Will the Honourable Member state at least this, whether the original proposals were the increase of duty from 11 to 15 per cent. and an additional duty of 3½ annas per pound on plain grey goods? Was that the original proposal?

The Honourable Sir George Rainy: I shall be able to give this information to the House before it is asked to vote on any question for the decision of which information of that kind would be valuable. I should prefer to make a fuller statement at that stage, and also as it might take some little time, I am anxious at this stage not to make any further addition to the speech.

Pandit Madan Mohan Malaviya: Does the Honourable Member recognise that it is a very important matter, which will affect the judgment of this House in the view that they should take of the proposals? They should know what the original proposal of the Government of India was for protecting the cotton industry of Bombay.

The Honourable Sir George Rainy: Well, Sir, if the House will bear with me, I will endeavour—I have no desire not to be reasonable in the matter—to meet the wishes of my Honourable friend as far as I can. Undoubtedly at this stage, when the Cabinet's message was received by the Government of India, the proposals of the Government of India included the increase of the revenue duty to 15 per cent. and special treatment for plain grey goods. But I should be misleading the Honourable Member if I were to convey the impression that any final decision had then been taken. That was the stage at which it stood at that time.

Pandit Madan Mohan Malaviya: The special treatment was 3½ annas per pound against plain grey goods. Was it not?

The Honourable Sir George Rainy: That undoubtedly was part of the scheme of the Government of India at that time.

Rai Bahadur S. C. Dutta (Surma Valley *cum* Shillong: Non-Muhammadan): I want at this stage to discuss the principles of the Bill.

Mr. President: Several Honourable Members want to do so. Mr. Das.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I rise to oppose the consideration of the proposition put forward by my Honourable friend, Sir George Rainy. Sir, the underlying principle of the Bill is not protection as claimed by the Honourable the Commerce Member, but it is Imperial Preference, and this House—at any rate the elected Members of this House—are entirely opposed to the principle of Imperial Preference (Hear, hear). Sir, the year 1927 enabled the Government to bring Imperial Preference to this House by the back door. There was the Steel Protection Bill, and I am proud to say that I was the first on this side of the House to oppose, at the time, the pernicious principle of Imperial

Preference. (Hear, hear.) Then there was the Cotton Yarn Protection Bill, which was another dose of Imperial Preference, and it got through in spite of the vehement opposition from this side of the House. Then, to quote my Honourable friend, Mr. Birla, now Imperial Preference has come by the front door, and we are asked to swallow the whole pill. Sir, much has been said about the message of the British Cabinet. The Honourable the Finance Member referred to it.

Mr. President: I think it is necessary for the House to know what the effect of the opposition to this motion would be. Honourable Members will be prevented from putting forward any alternative proposals to the proposals of the Government if they were to throw out this motion. It is therefore for them to consider whether they should oppose the motion, or whether they should allow the motion to get through after the general principles are fully discussed.

Mr. M. S. Aney (Berar Representative): May I ask one question to understand the position clearly? Shall we not be justified in expressing our opposition to the principle underlying this Bill, although we may not oppose the motion as such.

Mr. President: Honourable Members are entitled to express their opposition to the principle underlying the Bill. They are entitled to discuss the principle in all its aspects fully and at great length. But all I warn the House against is that, if they desire to go to division on this motion, and if the motion is lost, they will lose an opportunity of putting forward and discussing alternative proposals.

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): Imperial Preference being the main part of the principle of the Bill, when this motion is agreed to, and thus the principle underlying this Bill is accepted, it does not mean that Imperial Preference in principle is accepted along with it?

Mr. President: The Honourable Member is quite right. But the acceptance of the principle of Imperial Preference at this stage will not debar Honourable Members from moving amendments at a later stage rejecting Imperial Preference.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): I think, in view of the statement made by the Honourable Sir George Rainy—and he defined his position very carefully—that, if we were to carry this motion that the Bill be taken into consideration, it would not mean that the House would be endorsing the principle of Imperial Preference and therefore, Sir, in view of that statement it does make some difference.

Mr. B. Das: Sir, your advice is always listened to and acted upon by us.

Mr. President: Thank you.

Mr. B. Das: Sir, with all respect, I value the advice which you gave to this House. Sir, speaking for this side of the House, the Leader of our party and the leaders of the various parties had had repeated conferences with the Executive Members of the Government of India, and from what transpired at our party meetings, we understood that we would have no other alternative but to oppose . . . .

Mr. President: I thought Honourable Members had no confidence in their Leaders.

Mr. B. Das: I have entire confidence in Pandit Madan Mohan Malaviya. I may repeat that the decision of my party was that we should oppose tooth and nail this pernicious principle of Imperial Preference.

Mr. Vidya Sagar Pandya (Madras: Indian Commerce): So there was some conspiracy.

Mr. B. Das: Sir, the Honourable the Finance Member referred to the message of the British Cabinet, an extract of which message was laid on the table of the House yesterday by the Honourable the Commerce Member. I wish just to quote one pertinent passage out of that British Cabinet's message:

"Secondly the probability that such an addition to the duty would have a disastrous effect here at this moment, an effect which the Cabinet feels sure that you and your Legislature do not desire to create."

Sir, while discussing the General Budget, I said that, while we were willing to give every consideration to the message of the British Cabinet, as a preliminary to that, we must be equal partners in the Empire. As equals we can give and take. Situated as we are, treated always as a subject nation, we do not want to consider any message from the British Cabinet or from the Government, when we find their decision is just poured down our unwilling throats. Sir, as regards that particular phrase, "that you and your Legislature do not desire to create", I do not know if any action of this Legislature has any effect on the British Cabinet or the British Parliament. For the last seven or eight years we have agitated for constitutional freedom and it has not been granted to us. The *ex*-Secretary of State, Lord Birkenhead, pooh-poohed any idea which was put forward by us and said that the leaders of India did not put forward any considered demand for the constitutional freedom of India. Of course, I can understand the difficulties of England. England would be faced with a trade disaster if the mill industry in India is protected by a uniform tariff duty of 20 per cent., and so they should naturally ask for some discriminating measure from us. But what interested me most was another passage saying that,—

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"It would not be inconsistent with the procedure governing the now well-recognised fiscal autonomy convention."

Sir, I am not aware—I am open to correction—that India had entered into any well-recognised principles of fiscal autonomy with England. So far as my knowledge goes, whatever England wants, she takes. It is like the well-known story of the lamb drinking water and the tiger saying that his father had dirtied the water and so he would swallow the poor lamb. That is the well-known principle of England. So what is the use of saying, "well-recognised fiscal autonomy convention"? Will the Honourable the Commerce Member, in his reply to my speech, say if there is any

such convention that India and England gave each other certain assistance in matters of fiscal policy? Then what about the fiscal relations with other independent nations such as Japan? To that I will come later on. Sir, the other day, while I was speaking on the Budget I said . . . .

Mr. President: The Honourable Member is very fond of quoting himself.

Mr. B. Das: My point is that India does not wish to create bad feeling with the other Asiatic nations. Japan happens to be one of the largest buyers of Indian cotton. As far as I know, England does not buy a single bale of Indian cotton; she buys Egyptian and American cotton. Yet Japan, which buys the largest quantity of Indian cotton, is going to be banned by this measure of Imperial Preference. I do not know whether it will affect the treaty relations between Japan and England. We have already seen in the Press that Japan has protested to the British Government. Whether the Japanese Government has any trade conventions with India I do not know. My Honourable friend Mr. Howell, who is just coming in, may perhaps enlighten me whether India carries on any treaty or fiscal relations with the Japanese Government. But the Indian people are always anxious to cultivate the friendship of the Asiatic nations. I remember nearly nine years ago, when there was held the first Buddha Jayanti festival in Bombay, my Honourable friend, the Deputy Leader, Mr. Jayakar, enunciated the principle that there should be a pan-Asiatic federation of the Asiatic nations. If the House supports the Bill and if we give Imperial Preference to the United Kingdom, this idea of unity and harmony with the Asiatic nations will for ever be shelved.

Sir, nobody disputes that there should be protection, but is it protection to the Bombay millowners, or is it protection to Lancashire? We have no sympathy with Lancashire, because Lancashire has stood for the last 70 or 80 years against the development of Indian mill industries. If Lancashire is in difficulty, we ask the British Government to put such taxes and pay such bounty to Lancashire as will enable her to find an outlet for her goods. Why India should give a protective tariff to Lancashire I cannot understand. If the representatives of the Bombay millowners, who are present here, demand a protection of 20 per cent., or even 50 per cent., I will vote with them whole-heartedly. But if they say that they are in difficulties and they must have any little crumb that the Commerce Member will care to throw to them, which may involve big constitutional issues leading to an Imperial Preference of 5 per cent. for British goods, nobody on this side will support that pernicious idea.

Sir, three years ago when we discussed the Indian Yarn Protection Bill, which was another measure of Imperial Preference, three main charges were laid against the Bombay millowners; that the Managing Agents of the Bombay mills themselves had done nothing to improve the financial conditions and the trade conditions of India, that they themselves happened to be representatives of foreign insurance companies, and not only did they insure their own mills in these foreign insurance companies, but they canvassed with other Indian business houses to insure their business in foreign insurance companies. That is a direct hit against the development of Indian industries. Then some of them are mill store agents—not only the Bombay millowners but I also include the Ahmedabad millowners. They are all mill store agents. So, by importing foreign mill

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stores, they never develop the allied mill store manufacturing industries in India. So I laid that charge against the Bombay millowners then, and I lay that charge again.

Then the biggest charge against the Bombay mill-owners is that they over-capitalised their mills after the war boom period, and it is mentioned in the Report of the Tariff Board that, while Japan laid by, from their huge profit, sufficient reserve after the war boom,—a very good amount of depreciation charges—the Bombay millowners swallowed all the profit that came to them, and they even went to the extent of capitalising their concerns. I miss my Honourable friend, the gallant Baronet, Sir Victor Sassoon, here, but he is himself the owner of a group of mills whose capital was 2 crores before the war, and suddenly it was raised to 10 crores, and I understand it stands at a share capital of 6 crores at present. It may be Bombay's idea of share speculation and gambling, and all that, which we laymen coming from other parts of the country cannot understand.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): Why do you criticise if you do not understand?

Mr. B. Das: I do not criticise! I say that you are today humiliating the whole nation!

Sir, today I wish to lay a few more charges against the millowners regarding their mismanagement as Managing Agents. I will not say it in any words of mine, but in the language of my Honourable friend, Mr. Kikabhai Premchand, who I am sorry to see is not here. Every year my friend, Mr. Kikabhai Premchand, issues a book known as the Annual Market Review. This is what he says in his book for 1929, and I hope my Bombay friends and the Treasury Benches will appreciate very much the criticism of Mr. Kikabhai Premchand:

"But public opinion is growing and becoming more vocal. It is ineffective now, largely because the Managing Agents are entrenched behind their agreements and the shareholders are powerless. But with the removal of the Managing Agency system and the vesting of real power in the ordinary shareholders public opinion will strengthen with the sense of responsibility, and the investors will be more actively insistent on the careful and skilled management of their property."

There is also another luscious passage, which I cannot quote now, as it is missing. My charge against the Managing Agents is that they happen to be the buying and selling agents. They buy cotton on behalf of the mills, and they charge a certain amount of commission. They sell the piece-goods, and they charge a certain amount of commission on them. Therefore, whatever the mills get, all goes to the Managing Agents, and nothing is left to the shareholders, and then they come to the Tariff Board for protection, and the President of the Millowners' Association asks why we should criticise their policy in this House.

My next charge against them is that they are big speculators. They speculate and gamble in the Indian cotton market, and when there is huge deficit, say a loss of one crore, they quietly write it down to the account of the mills. That is a very serious charge. That being so, how can the shareholders derive any profit? I have made these charges, and I hope they will receive serious consideration when the reply of the millowners is given.

Mr. President: Treatment of Labour? (Laughter.)

Mr. B. Das: I will quote my Honourable friend, Mr. Birla, on that subject, who was the President of the Federation of the Chambers of Commerce, and who is one of the largest millowners of Delhi and Calcutta. In his concluding remarks at the last annual sitting of the Federation of Indian Chambers, Mr. Birla spoke of his relations as an employer with labour as a sacred and noble obligation. He is treating the labour population with friendship and humanity. (Hear, hear.) As regards the trouble in Bombay, I hope my friends, Diwan Chaman Lall and Abdul Matin Chaudhury, who were the accredited representatives of labour at Geneva, will speak.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Whom did you represent? Employers?

Mr. B. Das: I may tell my Honourable friend, Sir Cowasji Jehangir, that, whatever I represented I did not represent the greed of the Bombay millowners. I will just quote a passage from my Honourable friend, Mr. Birla's writings.

Sir Cowasji Jehangir: As regards speculation?

Mr. B. Das: You will soon know what it is. My friend, Mr. Birla, wrote on the 23rd August, 1929, in an introductory note to that excellent handbook, on "The Indian Cotton Textile Industry" by Mr. M. P. Gandhi, published in 1930, the following:

"And, if in spite of all these handicaps, the cotton industry of India is not only living but flourishing. . . . "

According to Mr. Birla it is "flourishing" and according to my friends, Sir Victor Sassoon and Mr. Mody, the mill industry is not flourishing. Then he goes on to say:

"and gaining ground gradually, it is entirely due to the sense of awakening and patriotism among the people on the one hand and the efficient management of millowners on the other."

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Including the Bombay millowners?

Mr. B. Das: I am glad Mr. Birla mentions the "sense of awakening and patriotism of the people". My friend, Mr. Chetty, will also understand it. Mr. Birla then says:

"*The up-country mills, therefore, are becoming serious competitors to the Bombay Mills.* The seriousness of the situation of the Bombay mills was very well reflected in the recent strikes and it is high time, therefore, that Bombay mills, instead of working on cloth in which they cannot compete with up-country mills, seriously took to the manufacture of fine and fancy goods."

I hope my Honourable friend, Sir Cowasji Jehangir, notes the advice given by my friend, Mr. Birla. I find similar advice given to the millowners from another quarter, I mean, by my Honourable friend, Mr. Kikabhai Premchand, in the book I have already quoted, "It is undeniable that foreign competition, *in addition to competition from up-country mills*,

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has grievously affected Bombay's premier industry''. This is what Mr. Kikabhai Premchand has said in his book in 1929, which was probably published a month or two ago. Mr. Kikabhai is a well known stockbroker of Bombay and this is his view. I hope my Bombay friends will agree with him.

Mr. N. C. Kelkar (Bombay Central Division: Non-Muhammadan Rural): But Mr. Kikabhai supports the Bill.

Mr. B. Das: Mr. Kikabhai has to take his instructions from the *Times of India* about that. He has given us the exact picture of competition which India has both from up-country mills and from outside India. This protection would not help the up-country mills, unless it is increased to 50 per cent., in which case I think the Honourable the Finance Member will be very glad to get the extra revenue. But it will not suit the consumer at all. Sir, I find that, since this Bill was laid on the table, there have been various meetings and pronouncements all over the country. The various Indian Chambers of Commerce, except those from Bombay, have all opposed tooth and nail this Imperial Preference. My friend, Mr. D. P. Khaitan, spoke as the President of the Indian Chamber of Commerce at Calcutta the other day, and he delivered a long speech opposing this Tariff Bill tooth and nail and he tendered some very good advice to the Bombay millowners. I hope they will take it. I may also quote another Chamber of Commerce, the Bihar and Orissa Chamber of Commerce. (Hear, hear.) It has passed a resolution strongly opposing Imperial Preference, and although I do not generally agree with that Chamber, even that Chamber does not want to give any protection to the Bombay millowners. The question is, has the buying power of the people increased? Are not the people becoming poorer and poorer every day on account of the policy of Sir Basil Blackett in regard to the ratio question? How can they buy the increased production which my friends of Bombay are trying to do by this protection? If they cannot buy the increased production, the millowners will have to suffer. I think the Bombay millowners, as the first preliminary, have to reduce their capital. Their over-capitalisation must cease. It is only then that they can derive as much profit as my friend, Mr. Birla, or the Ahmedabad millowners.

Sir, whenever Government bring forward measures of protection, I warn the Government that they should not give protection without controlling the industries seeking protection according to well-known conventions. The recommendations of the External Capital Committee have not yet been given effect to. Sir Basil Blackett, who wanted to have them discussed on the floor of the House, never did so. We gave protection to Tata's steel industry, which is still not able to dispense with protection. We go on giving it further and further protection year after year. In spite of that, an American has become partner of the Tata Company in their hydro-electric concerns. We may hear next that Tatas have sold the Iron and Steel Company to an American Corporation. Sir, it is well known that Tatas have not been able to Indianise their superior establishment in the steel industry, and also Tatas have not been able to market their steel properly in India. Probably, in two or three years, they will again come forward for another measure of protection. We gave protection to the paper industry. Everybody knows there are only one or two Indian directors on that paper company which is European-owned, and we do not know if Indians are trained there as probationers,

or if Indians are taken there as officials in the paper factory. We do not know if their capital is Indian rupee capital. Government should not give effect to protective measures without creating machinery to apply a certain amount of control and check on those industries which are given protection.

Sir, I will now speak a word about the second dose of Imperial Preference, which the Honourable Sir George Rainy has introduced by clause 3 of the Bill for extending the Indian Tariff (Cotton Yarn Amendment) Act, 1927, for another three years from 1930 to 1933. When that Act was passed, those of us who have the interests of the handloom weavers at heart strongly protested. What we at that time understood from the millowners' representatives was that they wanted protection only for three years. Now, even if 20 per cent. protection is not granted, a 15 per cent. tariff on piece-goods with 4 per cent. additional duty on those goods, gives ample protection to the millowners. But what protection has been given to the very large cottage industry in India, the handloom industry? Honourable Members know that there are 20 to 25 lakhs of handlooms working in India. I may remind my Mussalman friends that all these 25 lakhs of handlooms employ 60 lakhs of people, of whom about 40 lakhs are Mussalmans. Here everybody talks of giving help to the rich. Who thinks of the poor? This Cotton Yarn Protection Bill, that was promulgated in 1927, has already done great harm to the handloom industry. I have made inquiries. Of course, Government have also made inquiries; they have laid their statement on the table. Nowhere has the price of handloom cloth gone up; everywhere the price of hand woven cloth is stationary, or even less by an anna or two annas. Let us see what has happened. A pair of *dhotis*, produced in two days costs Rs. 3, but the price of the raw material, yarn, has gone up by six annas, and the poor handloom weavers, the family of three or four people, working for two days to produce a pair of cloths, their wages have been reduced by six annas. Is that not a very striking condemnation of the Yarn Protection Act? My Honourable friend, Sir George Rainy, without giving us any reasons, says he will extend it for three years more. Why have the Government brought in this measure to impose a duty on Japanese yarn? We do not object to yarn made in Japanese mills. There is a difference in price between Indian and Japanese yarn, but yet everybody knows that Japanese yarn is better appreciated by the Indian handloom weavers than yarn spun by many of the mills in India. The handloom weaver finds that Indian yarn is not uniform. Apart from that, while the millowners of Bombay Ahmedabad, and other places derive an extra profit from 15 per cent. to 20 per cent. or 30 per cent. the poor handloom weaver, instead of getting even a living wage—my friend, Diwan Chaman Lall, will tell us what is a living wage—of 8 annas or 6 annas per day, is reduced to a wage of 4 annas or 5 annas. Is not that a hardship? I do hope that, in their support of protection to the millowners, they will support also protection to the handloom weavers.

Mr. Fazal Ibrahim Rahimtulla (Bombay Central Division: Muhammadan Rural): Are you for protection or not?

Mr. B. Das: I am for protection. I have always been for protection, but I am not for injuring another huge industry by giving protection to one rival industry. It has been protested that handloom weavers have

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never asked for protection. Sir, these six millions of weavers, who are scattered in the interior villages all over India, who are inarticulate and illiterate, how can they think of coming to the Imperial heights of Delhi and Simla; how can they come and ask the Honourable Sir George Rainy to give them protection? I ask my Honourable friend, Sir George Rainy, to look into the evidences which the Directors of Industries of the different Provincial Governments recorded in favour of the handloom weavers at the time the Tariff Board took evidence in 1927.

Mr. President: I think the Honourable Member must now conclude.

Mr. B. Das: I will conclude, Sir, in a few minutes. It is a very difficult subject. Sir, my Honourable friend, Sir George Rainy, said that he would oppose most of the amendments that have been tabled on behalf of the Government. He wanted to cut short this debate by saying that Government would oppose all amendments, except what my Honourable friend, Mr. Chetty, has put forward. My Honourable friend Mr. Chetty's amendment is nothing but Imperial Preference. It is 90 per cent. Imperial Preference, 10 per cent. may be something else—call it protection or alms. My Honourable friend Mr. Chetty's amendment will come up for discussion later on. Speaking on behalf of my party, I want to ask the Government, "Are you going to be guided by the views of non-official Members on this question? You are not responsible to the Indian electorate; you are responsible to the Secretary of State and the British Cabinet." The 40 votes that Government have on their side represent British interests, British Parliament and British Cabinet. Even if we are defeated by one vote, I say that cannot be a vote in favour of Indian interests. It is only fair that their 40 votes should not be counted on this question. A vote taken in that way alone will be the measure of Indian feeling. A vote taken with the help of the 40 votes of Government cannot be an index of the real feeling of the House and the real feeling of India. Sir, I do not want to utter one word that will hurt the feelings of the Government side. (Hear, hear.) I am not as irresponsible as my friend, Colonel Crawford, who misjudged me the other day while I was appreciating the speech of my friend, Mr. Abdul Matin Chaudhury, who was saying that the Indian youth is becoming an admirer of revolutionary methods—my friend, Colonel Crawford misread my thoughts . . . .

Mr. President: This is not relevant.

Mr. B. Das: No. Sir, (Laughter), but the gallant Colonel may rise a few minutes later and say that I am showing my hatred to England. Sir, I have no hatred for England; in this Gandhi age I have no hatred for England, but I am only trying to explain my principles which apply equally to the speech of my friend, Mr. Abdul Matin Chaudhury. as to the subject which we are discussing today. Sir, the situation in the country is very difficult and critical. We are passing through trying ordeals. And if the Viceroy in his pronouncement of 31st October, 1929, asked us to bear goodwill and to create a good atmosphere all over India, we on this side have done our very best to foster that goodwill. If sometimes it has gone beyond us, it is not due to us but to the Government—it is due to the Viceregal statement of the 25th January on the floor of this House.

My friend, Colonel Crawford, asked me how I can take the oath of allegiance and be an admirer of revolutionary methods . . . .

Mr. President: The Honourable Member knows that this is all irrelevant.

Mr. B. Das: All right, Sir. I shall conclude my remarks with just one more quotation, and with my strong condemnation of the principle of Imperial Preference. I ask Members on the Treasury Benches and of the European Group to read a book,—which I think some of them might perhaps have read,—"The Revolt of Asia" by Upton Close. Sir, it is not written by an Englishman; it is written by an American journalist, Mr. Josef Washington Hall, who is a Lecturer in some American University. I shall only quote the last four or five lines of his concluding remarks . . . .

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Why do you give preference to Americans?

Mr. B. Das: I give no preference to anybody. When this gentleman came to India, he met some big Government official at Delhi and asked him, "How are you going to bring peace in India?" That British official told him, "We are a blundering race; we go on blundering, and in the end somehow we will pull through." I shall quote his last few words from this book, which I would ask my friend, Colonel Crawford, and also the Treasury Benches to bear in mind; if they desire to have our friendship and our goodwill.

"We have come to the end of the White Man's world dominance. If he resigns himself to this historic evolution, he will save his world and the Asiatic's world. If he resists, he will likely bring about the destruction of both.

We have come to the beginning of the White and Coloured Man's joint world, when each shall have control in his own house and a proportionate say in the general convocation of humanity.

We are passing from the era of Empire by Conquest into era of Empire by Attraction, Service and Business that asks only a fair field and no favours.

We have come to the time when any prolonged attempt of any race or nation or class or sex to dominate another can only bring destruction to both.

It is let live and live.

It is tolerance or death."

Sir, India demands Fair Play.

Rai Bahadur S. C. Dutta: Sir, I propose to discuss this Bill from a different angle of vision than that adopted by the previous speaker. We have to see whether, in this particular instance, a case has been made out for protection to the cotton textile industry. I propose to consider this question from the point of view of the masses. The raising of the cotton duties from 11 to 20 per cent. is imposing a very heavy burden upon the poor. Whether the object be revenue or protection, the consumers are taxed—there would be no protection if prices are not affected—and this is a tax upon one of the necessaries of life. For the poor masses of India cloth is next to food, and I think I am not wrong in saying that, what taxation of food is in England, taxation of cloth is in India. The Honourable the Finance Member expects Rs. 125 lakhs as the combined effect of his proposals for a general increase of 4 per cent. for revenue and the additional 5 per cent discriminatory duty, allowing in full for the protective effect. It is explained in the Financial Memorandum that the whole

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of this income will come out of the increase of 4 per cent; and consequently non-British goods of foreign origin will be entirely excluded from the country. It therefore follows that the Indian taxpayer will have to pay higher prices for Indian goods which are not taxed. And if we assume that the expectation will be realised that the additional 5 per cent. on non-British goods will not affect the price of British goods of finer counts, it will come to this, that this protective measure will involve a heavy sacrifice upon the poorer community, who use coarse goods of Indian cotton and not upon the rich who use British goods of finer counts. But it is doubtful whether this expectation will be realised, for I find from the notes of the Honourable the Commerce Member, that Japanese goods do compete with British goods to some extent, and so far as higher duties are imposed upon such Japanese imports, this will tend to increase the price of the British goods of the same classes, or of classes that may be regarded as substitutes, unless it be that the price of British goods is already so high, on account of the high cost of production there, that even 20 per cent. on other goods cannot affect the same. So far as regards the effects of the protective proposals, so far as can be anticipated, on the consumers. The House should therefore be clearly satisfied as to the necessity for protection and its extent.

Sir, discriminating protection is the accepted policy of this House, and I am not going to challenge that now, but I do not know that the policy of protection to the textile industry has been accepted here and if so, with what justification.

As to the necessity for protection to this industry, what I ask is this. Is there any initial disadvantage that is to be removed? Is it the case that goods produced cannot be sold on account of competition? This again might be a justification for protection in some shape, suitable to the real difficulty of cheap production. But if there be other difficulties against mere expansion, there may not be sufficient justification for a protective tariff, and a protective tariff may not remove those difficulties. Then again, there may be other difficulties for particular industries, there may be improvident over-production; there may be financial losses on account of labour disputes and other causes. Some of them may deserve financial help in other shapes, to be paid for, but not at the expense of the general taxpayer. I suggest that, in suitable cases, there may be subventions granted without taxing the poor. At the same time, the Government and the Legislature should not be parties to the industrial struggles that are going on in the country by increasing the strength of one party for resistance.

Sir, the import duty on cotton goods was at first 4 per cent., and then it was raised to 7 per cent. Even in those days, these low rates of duty were considered so far protective, that countervailing excise duties were levied along with the same. Now the industry is enjoying a protective duty of 11 per cent., without any countervailing excise duties. Why is this not sufficient? Is organization defective? Is labour inefficient? Are such defects inherent to Indian conditions? Is an increase of duty to 20 per cent. really necessary? These are questions which should be answered by the Honourable Member in charge before the House can be called upon to give its assent to this measure.

Now, Sir, this Bill comes before the House with a definite proposal to give protection to the textile industry. As to the question of protection, the increase of 4 per cent. will surely have a protective effect, and will this not be sufficient for Bombay? I refer to Bombay, Sir, because Bombay has been specially mentioned, and I do not know if there has been a demand for protection from anywhere else. As the imposition of this additional tariff will bring no revenue and will be purely protective, I do not see why the Honourable Member should drag in this measure in the Budget Session, when our immediate duty is to balance expenditure by revenue. Now, Sir, if 11 per cent., which Bombay shares with other Indian industries, cannot give sufficient protection, and if the proposed additional 4 per cent. is not also expected to give sufficient protection, then what guarantee is there that this additional 5 per cent., the benefit of which India will share with England, will prove more effective and the lion's share of the benefit will not go to England. Sir, I am afraid that the benefit to the Indian industry out of this additional 5 per cent. will be very small and quite incommensurate with the loss to the consumers. . . .

Sir Cowasji Jehangir: May I ask the Honourable Member to speak up, because we cannot hear anything on this side.

Rai Bahadur S. C. Dutta: Then, Sir, some remark is necessary here as to the effect of the discrimination in favour of British goods. I am not opposed to Imperial Preference in the abstract and may be prepared to support it, provided that it will be of benefit to the country; but, Sir, the present proposal, in my opinion, is premature and is also one-sided, and I am not prepared, and the country is not prepared, to show Imperial Preference, not by lowering an existing duty but by imposing a higher duty. Imperial Preference can be adopted as a bargain, but here there is no bargain. The suitable time for such a bargain would be when India had attained Dominion Status and this House consisted fully of the representatives of the people only. At the same time, I see that the British Government have not proposed Imperial Preference, and the Government of India also do not propose Imperial Preference. The Honourable Member justifies it on the ground that discrimination will not affect the protective measure and will not affect the consumers. If this be so, then there can be no objection to such discrimination. But the point is, is this so? The Honourable Member has explained in his note that there is no direct competition between British goods and Indian goods, but he has also shown the extent to which Indian goods have replaced British goods. Sir, to that extent, it is not correct to say that there is no competition, but that India, with the 11 per cent. duty, has so far beaten down that competition, and the competition would be as keen, if the situation in the Indian industry becomes worse, on account of internal conditions so that 11 per cent. would not suffice.

Now, Sir, it is admitted that the situation is worse, for otherwise there need not be this proposal, but it is hoped that a 15 per cent. all round duty will give sufficient protection to meet competition from England on account of changed conditions in India. Gentlemen from Bombay will be able to tell us whether this estimate is correct, but if this is correct, will not 15 per cent. suffice to meet the competition from other countries as well? Then even if there be no direct competition, we cannot forget indirect competition which may be real.

[Rai Bahadur S. C. Dutta.]

Sir, these high duties on coarser goods may so enhance the price as to bring them to a near parity, I do not say, necessarily exact parity, with the comparatively lightly taxed British goods, so that the better quality of the British goods may easily dominate the preference of the consumers notwithstanding the slight difference in price. It may also be, Sir, that the competition of British goods is beaten down by Japanese competition, and when Japanese competition will be beaten down, the English competition may survive and may compete in the field against Japanese goods, so that English goods may oust the Japanese goods under the altered conditions. The Indian industry may not be worse by these proposals, but they may not be better either. Then why tax the poor? I do not minimise, even to the slightest extent, the value of making a gesture in response to the appeal made by His Majesty's Government and I do not know whether the proposal is not more valued as such gesture than as a protective measure. Even then, what is the demand made upon us? Should it be anything more than this that there should be mutual goodwill on both sides? Here India is called upon to perform something, even before goodwill, not from the Government, but from the people of Great Britain, can be guaranteed. Sir, it is equally necessary for the people of Great Britain to seek the goodwill of the people of India. For Empire federation with India as a Dominion cannot be secured, and cannot be promoted with any advantage, and cannot be pursued for long as an ideal to be attained by continuous endeavour on all sides, unless both parties see that the ideal is advantageous for all and the best for all. If the Honourable Member really thought that the Bombay industry would be really destroyed, unless there was an all round protective tariff, and if he proposed such a tariff, there is no reason why this should be regarded as evidence of want of goodwill on the part of the people of India.

I now wish to add a few words with reference to the principle of protection for three years for Indian yarns. I agree with what Mr. Das said, but at the same time I think that a case for extending it for another three years has not been made out. The original reason why the measure was passed was on account of the severe competition with Japan, which employed female labour below a certain age. It is admitted that these reasons have been removed from Japan. Similar conditions have arisen in China. It is also explained that there has been recent legislation in China to remove these undesirable elements in labour conditions. But owing to the unsettled conditions in China, the legislation has not been given effect to and there is apprehension that these undesirable elements will continue. But so far as I can see, there is this advantage that with unsettled conditions, China will not be able to compete with India. With these few observations, I close by remarks.

Pandit Madan Mohan Malaviya: Sir, during the general discussion on the Budget I put forward a few considerations which this House will have to weigh in dealing with the question which is involved in the proposal now made by the Government. I wish to add a few remarks so that the position may be made clearer. I think, Sir, I voice the sense of nearly all the elected Members of this House sitting on this side, when I say that we are opposed to the principle of Imperial Preference, and therefore opposed to that form of it which is involved in the proposals of

Government. I have already drawn attention to the conditions which are essential before a proposal for preference to any goods of any country could be accepted by this Legislature. Both the majority of the members of the Indian Fiscal Commission and the minority agreed in laying down certain principles. Among these, they took care to say first that a policy of Imperial Preference could only be adopted with the free consent of the Legislature. They also pointed out that such a policy could only be adopted after an examination of the question by the Tariff Board, an examination, the object of which should be to find out whether there were any commodities on which preference might be given in accordanec with the principles which they had laid down to the benefit of the Empire and without detriment to Indian interests. I am glad that, in the cablegram which the Government of India sent to His Majesty's Government they laid emphasis on this point. They concluded by saying:

"We desire also to make it clear that in a matter of this kind, after frankly stating our case, we should desire to solicit the most free expression of opinion from the Legislature with whom the final decision must rest."

I hope these references are sufficient to make it clear to the House that the responsibility for accepting or rejecting a proposal like this rests entirely with the Legislature. I am glad, Sir, and thankful to the Government of India, that this was brought to the notice of His Majesty's Government. It is unfortunate, however, that, in the speech of the Honourable the Finance Member, the point was not made equally clear. He said, in his speech, "Let me make it clear at the outset that the fiscal autonomy convention is a reality, and that decisions on matters of this kind are left to the Government of India". This is not accurate. The Honourable Member should have said "to the Government of India acting in agreement with the Legislature". I do not suggest that he omitted the words "acting in agreement with the Legislature" by design. But I wish those words were there to leave no room for doubt that that is the convention to which he referred. In another place, in the concluding part of paragraph 51, the Honourable the Finance Member said:

"Finally, we made it clear that, in a matter of this kind, after frankly stating our conclusions, we should desire to put our carefully considered views before the Legislative Assembly with whom the final decision must rest."

Here also unfortunately the words which were used in the cablegram of the Government of India, namely, "after frankly stating our case we should desire to elicit *the most free expression of opinion from the Legislature*", were omitted. But I am grateful to the Government for having laid the correspondence on the table, so that attention has been drawn to those important words. But, Sir, the Government of India have laid before us only a portion of the correspondence which passed between them and the Secretary of State as representing His Majesty's Government. As I suggested this morning, I wish the Government had also laid before us the letter which they sent to the Secretary of State for his approval of their original proposals of taxation. That would have helped the discussion better, but even so, I am thankful that the Honourable the Commerce Member did say, in answer to my questions, that the original proposals which the Government of India submitted to the Secretary of State were a general increase of 4 per cent. duty

1 P.M.

[Pandit Madan Mohan Malaviya.]

for revenue purposes, that is, from 11 to 15 per cent., and an additional protective duty of 3½ annas per pound on all plain grey goods.

The Honourable Sir George Rainy: I modified the statement by the qualification which I made, in answer to the Honourable Member's question, namely, that a final decision had at this stage not yet been taken.

Pandit Madan Mohan Malaviya: Thank you. I am not suggesting it had been taken. I only said that the original proposals which the Government of India submitted to His Majesty's Secretary of State were an increase of 4 per cent. duty on all cotton piece-goods for revenue purposes, and a protective duty of 3½ annas per pound on all plain grey goods. That is all they said when they submitted their proposals to the Secretary of State.

Now, Sir, those proposals did not involve any question of a preference to the goods of any country. They applied equally to all plain grey goods. I believe I am right in saying that. Therefore, it is clear that the original proposals of the Government of India were of uniform application to all imports of cotton piece-goods. When His Majesty's Government sent the message, which they did in reply to the Government of India, they had before them only these two proposals, namely, a general increase in the revenue duty of 4 per cent., *i.e.*, from 11 to 15 per cent. and a protective duty of 3½ annas per pound on all plain grey goods. To these proposals of the Government of India, His Majesty's Government replied in a very courteous manner which I wish to acknowledge again. They felt a hesitation in making a suggestion to the Government of India in this connection because they recognised that, in the matter of fiscal autonomy, the Fiscal Autonomy Convention applied to India also. But they came to the conclusion that it would not be inconsistent with the procedure governing now the well recognised Fiscal Autonomy Convention to make, at this stage, the following representation to the Government of India. That representation was, firstly, the probability that such an addition to duty, namely, 4 per cent. for revenue purposes and 3½ annas per pound as a protective duty, would be likely to raise the prices of goods in India itself, to the great detriment of the poorer classes generally in this country. That was their first concern, and we must be grateful to them for this solicitude for the poorer classes of this country. The second point they urged was:

"The probability that such an addition to duty would have a disastrous effect in England at this moment, an effect which His Majesty's Government felt sure you and your Legislature do not desire to create."

I think I can say, on behalf of Members of this Assembly on this side, that we are most unwilling—it is unthinkable—that we should desire to create any disastrous effect at this moment or at any time on the Lancashire trade. We have no unfriendly intentions against the trade of Lancashire; we wish it all prosperity, but we also wish that that prosperity should be obtained by fair means and without detriment to the interests of the people of this country. Then, Sir, the cablegram went on to say:

"From both points of view Cabinet views with gravest apprehension proposed addition to duty and hopes that full weight will be given to above considerations."

This was all that the Cabinet said. They felt the gravest apprehension regarding the effect of the proposed addition of 4 per cent. to the general duty and 3½ annas per pound against all plain grey goods. It is important to note that there was no suggestion from the Cabinet that a 5 per cent. protective duty should be put on Japanese or rather non-British goods, or that any exemption should be made in favour of British goods. There is no such suggestion in this correspondence from the Cabinet. In this connection I wish to say that I regret that, not having the correspondence before me, I used a word in the debate the other day which I should not have used. I said then that the proposal which had come from the Cabinet was more insidious than it would have been if it had come from the Secretary of State. My Honourable friend Sir George Schuster objected to the use of that word and I bowed to him for that correction. I did not mean to insinuate that the Cabinet had used any insidious means. What I meant to say was that the pressure became more irresistable when it came from the Cabinet than it would have been if it came from the Secretary of State. But I am sorry I used a wrong word.

From the facts that are now before us, it is clear that the proposal for giving preference to the United Kingdom goods has not come from the Cabinet. That proposal had been put forward, as I understand it, by the Government of India after it had received the cablegram to which I have drawn attention. Now, I must acknowledge with gratitude the attitude which the Government of India took up in the first stage of these proposals. When His Majesty's Government drew attention to the points which I have just now laid before the House, the reply of the Government of India was admirable and deserving of commendation and congratulation from us. They said:

"Please see your telegram of the 8th instant. I have discussed with my Council the Cabinet representation and we are deeply impressed by a message of this nature. Nevertheless we feel bound to adhere to our main proposals."

The proposals being 4 per cent. increase for revenue purposes and 3½ annas per pound against all plain grey goods. I hope I am quite right in saying that.

The Honourable Sir George Rainy: I do not think there is any misunderstanding between us. The proposals were that 15 per cent. should be the duty on all goods and 3½ annas on plain grey goods. The main proposal was the raising of the duty to 15 per cent.

Pandit Madan Mohan Malaviya: So your main proposal was the raising of the duty to 15 per cent. on all cotton goods and 3½ annas minimum on all plain grey goods.

The Honourable Sir George Rainy: The only point which I wished to correct of my Honourable friend is this. The main proposal is the increase of revenue duty from 11 to 15 per cent. and the subsidiary one of 3½ annas on plain grey goods.

Pandit Madan Mohan Malaviya: I would particularly draw the attention of my Honourable friend to the use of the plural, "the main proposals" and that is why I thought that the two proposals were included in the words used.

The Honourable Sir George Rainy: To that, I say, yes.

Pandit Madan Mohan Malaviya: In reply to the cablegram, His Excellency said:

"It must be remembered first that we want revenue; secondly that customs is our chief source; thirdly that the general revenue tariff stands at 15 per cent. while the duty on cotton piece-goods is only 11 per cent.; fourthly that the Indian industry is suffering from deep depression and that as regards Bombay the mills are approaching a desperate position which may affect the whole future of this important centre of Indian commerce and finance. Moreover in a year like the present one, when we have to impose heavy new taxation we could not for revenue purposes leave the cotton duties alone. As regards raising the cost to the consumer we believe that in those goods where external competition is chiefly felt, namely in plain grey shirtings and light sheetings, and cheaper coloured goods, internal competition will in any case keep the prices down. As regards bleached goods and finer qualities of grey and coloured goods which Lancashire mainly supplies a four per cent. increase in the price cannot be represented as a crushing burden."

So far as this particular part is concerned, we must all feel grateful to the Government of India for the very excellent manner in which they described our position and put our case.

Coming to the second point, *viz.*, the danger to British interests, the cablegram continued:

"We recognise that the possible decline," (*note the word "possible"*) "we recognise that the possible decline in consumption of Lancashire goods may be a serious matter but we are clearly bound to put India's interests first. We also recognise how important it is to India not to antagonise British opinion, and quite apart from this, we are, of course, concerned at this time to avoid unnecessary injury to British interests."

I think this is also a sentiment which we all gladly endorse.

"We have carefully considered what we could do in this respect and while we cannot modify the general application of the 15 per cent. revenue duty, we are prepared to propose to the Assembly that, as regards any additional and temporary protective measures, their application might be limited to non-British goods and that in these circumstances there should be imposed, in addition to the 15 per cent. revenue duty, a five per cent. protective duty with a minimum of 3½ annas per pound on plain grey goods against all cotton piece-goods from outside the United Kingdom."

Well, here is this new proposal introduced. I have not the slightest doubt, and we do not wish to suggest that the Government of India did not introduce this proposal with the conviction that it would be in the best interests of India to adopt it. But we have now to examine what its effect is and whether there is any justification for asking the Assembly to adopt it. The cablegram continued:

"We should propose the protective duty for three years only and undertake to have its effects examined by the Tariff Board before the end of this period."

The Fiscal Commission has recommended that an inquiry by the Tariff Board should precede the adoption of Imperial Preference. The Government propose to have it made three years after adopting it, and they have given no reason for it. The Government of India then went on to say how they would bring this proposal before the Legislature, and rightly said to the Cabinet that they recognised the importance of the message from the Cabinet and that they would point out to the Assembly "that at a critical juncture when much may depend on India's response to the British Government's appeal" such a proposal should be favourably considered. The Government tried to offer a justification for the exceptional course they had decided to follow. They said:

"We shall have to make it plain to the Assembly that while there are grounds for treating plain grey goods exceptionally, we could not in any circumstances agree at the present stage and for emergency purpose which we have in view to the additional protective duty of five per cent. on all classes of piece-goods irrespective of the country of origin."

But they did not say and have not yet said what those grounds are for increasing the measure of protection which they originally proposed and I submit, Sir, that the proposal of a 5 per cent. additional duty, with a minimum of 3½ annas per pound on plain grey goods, on all cotton piece-goods of non-British origin was introduced clearly to help the Lancashire interests. The reading of the correspondence and the answers given do not leave any room for doubt, nor has the Honourable the Finance Member concealed it in the statement which he made in introducing the Budget. His contention is and has been throughout that this additional duty could be imposed in the manner proposed consistently with the interests of India. That is a point on which we join issue with the Honourable the Commerce Member and the Finance Member. I feel—and I think the House will share this feeling—that while the attitude of the Government as regards its first proposals was admirable and deserving of our gratitude it erred grievously in putting forward a proposal for an additional five per cent. protective duty with a minimum of 3½ annas per pound on plain grey goods, on all cotton goods from outside the United Kingdom. It was a very unfortunate proposal. It at once introduced the question of preference to the goods of the United Kingdom, which it would have been wise and proper on the part of the Government of India to avoid at any time and particularly at this juncture. It would have been the part of wisdom to avoid introducing such a question into this Legislature until it became a legislature fully elected and consisting of men who were not likely to be influenced in the decision of an important question like that, by the forty solid votes which sit on the Government Benches. It would have been but fair if they had not put forward this proposal at a time when, owing to the position the Government occupy, the position of strong power and patronage, votes in this House are sure to be affected by the views which they put forward, and a free vote of the Assembly cannot be obtained. I submit, Sir, that for these reasons the Government should yet reconsider its proposals. The object of the Government of India was— and that is the object, I believe I can take it of every Honourable Member of the Assembly—that the cotton industry of Bombay should receive all the protection that it deserves. It has long been a matter of complaint on this side of the House that the Government of India have not done their duty by the cotton trade of this country. The cotton trade of India has grown despite the handicaps to which the Government of India have subjected it for a long time in the past. It has grown in spite of the long and lasting cotton excise duty, which was condemned by every fair-minded Englishman as an iniquitous duty. It has flourished in spite of the other handicaps to which it has been subjected, among them being that outrageous enactment of the 1*s.* 6*d.* ratio. It was exposed to the attacks of Japan and of other countries because by that enactment a present of 12½ per cent. bonus was made to all competitors from outside. Bombay's suffering has been a prolonged one, but that suffering has become most intense and acute during the period which has followed the enactment of the 1*s.* 6*d.* rupee. Sir, the Tariff Board recommended, three years ago, that the Government of India should raise the import duty on cotton goods from 11 per cent. to 15 per cent. If that proposal had been accepted and put into effect by the Government of India three years ago, I venture to suggest, Sir, that the Bombay cotton industry would not have been in the most deplorable and perilous position in which it is found to be today. Why did not the Government of India take action in time? However we are glad that the Government of India have decided to take action now. We are grateful that they decided to raise the general

[Pandit Madan Mohan Malaviya.]

revenue duty to 15 per cent. and to put on an additional duty of 3½ annas per pound on all plain grey goods as a protective duty. And we ask them to stand by these proposals at the very least. But in order that there should be no cause for complaint of discrimination or preferential treatment from any outsider or from our own people, I ask the Government of India to reconsider their proposals further. In the first instance, Sir, I ask the Government to drop the proposal of putting a five per cent. protective duty on Japanese goods, or to be more accurate, goods from outside the United Kingdom. We have no quarrel with the Japanese or with any other country. Our country is open generally to free trade and commerce, and I do not see any justification for discriminating legislation against one important country, particularly when it is put before the House in such a form and under such circumstances that it is obvious that it is being recommended because it will benefit British interests. (Hear, hear.)

I submit, Sir, that Government should withdraw that proposal and I hope, Sir, that in the further discussion on the Bill in this House, it will be possible for Government to arrive, in agreement with this Assembly, at a proposal,—with some little modification of their original proposals—which will secure to Bombay all that it wants and deserves, and which will, at the same time, not expose this Assembly to the charge of having accepted Imperial Preference in the form in which it has been presented. If the Government of India will make up their minds to drop the second proposal that they put forward after receipt of the message of His Majesty's Government, the path of agreement will be clear. His Majesty's Government did not suggest that new proposal. The Government of India themselves put it forward. It is regrettable that they did so. The Government of India should have remembered that, according to the report of the Joint Select Committee of the Houses of Parliament and the Report of the Fiscal Commission, a question of Imperial Preference could only be decided by the Government of India with the consent of the Legislature. The Joint Select Committee said, in the passage to which I invited attention the other day:

> "Whatever be the right fiscal policy for India for the needs of her consumers as well as for her manufacturers, it is quite clear that she should have the same liberty to consider her interests as Great Britain, Australia, New Zealand, Canada and South Africa. In the opinion of the Committee, therefore, the Secretary of State should, as far as possible, avoid interference on this subject when the Government of India and its Legislatures are in agreement."

The Government of India should also have remembered what the Fiscal Commission also had said, that it could only be with the free consent of the Legislature that any preference could be given to any country. The action of the Government of India in having decided, without consulting this Assembly, to put forward this proposal, has placed us in a very awkward position. We cannot forget the fact that India is a dependency of Great Britain today; it grieves me to think it is so. We desire that it should cease to be a dependency as early as possible and should take its own place of honour among the nations of the world. But we have not come to that yet, and at this juncture when the question of this great constitutional change is shortly to come before the British Parliament and is before this country, when a very strong movement has been started in this

country for a complete severance of the connection of India with England, when this movement for Independence is daily gaining ground, this proposal of the Government of India for preference to British cotton goods is most inopportune and most unfortunate. It will furnish one very strong argument to those who desire complete independence for India. It will furnish a strong argument because it will be urged that, so long as the Government of Britain will have any voice in the administration of this country, the commercial and economic interests of England will receive undue consideration, and the commercial and economic interests of India will not receive due consideration. I think therefore, Sir, that it has been most unfortunate that this proposal has been put forward at this time, but I hope that it is still possible for the Government of India to reconsider their position, and I hope the Government of India will not follow the ordinary official practice in such matters of not budging an inch from the proposal, which they have once put forward before the Assembly. I hope they will recognise the wisdom of revising this decision and agreeing to adopt such a proposal as will secure the main object of protecting the Indian cotton industry and obtaining the revenue that is needed to carry on the administration, without introducing the question of preference to United Kingdom goods. One such proposal I have given notice of, and I hope that the Government and the House will duly consider it. I have already made it clear that this side of the House is—speaking generally—very strongly opposed to the introduction of any Imperial Preference in our tariff, at this stage of the country's history. When we are a free nation, having the same power and the same responsibility as Great Britain, Australia, New Zealand, Canada and South Africa have, it will be up to us to consider any proposals which might come from England and which might help England in an hour of difficulty, without inflicting an unnecessarily and unbearably high burden upon our own people. But we are not in that position today and therefore we should not be expected to adopt such a proposal. When the proposal comes enforced by an appeal or a representation by His Majesty's Government to us in this position, it places us in a very awkward position. But even placed as we are, I can ask Members on this side of the House to give the utmost consideration that they can to the appeal which has been made to us by His Majesty's Government, to give the utmost consideration which we can, without largely hurting the interests of our own people. I have already acknowledged the solicitude which His Majesty's Government have shown in this correspondence for the consumers and the poorer classes of this country. We want that the poorer classes of this country should not be exposed to unnecessary disadvantages and unnecessary burdens. We cannot therefore accept the proposal of a preference, which will expose us to the danger that the country which receives the preference will be able to secure for itself the market of India which will become available to it by non-preferred manufacturers being driven out, and thereby be in a position to raise the prices when it may find it convenient to do so and when we should have no power to stop or to check the import of its manufactures into this country. That is one great disadvantage which this proposal involves. But the greater objection to the proposal is that practically it means making a present of a bounty to the manufacturer of the country the goods of which are preferred. It also involves an unjustifiable discrimination against other countries. We cannot therefore agree to that proposal, but it may be possible for us to agree to a proposal which should be of uniform application which would not involve any preference to the goods of any country.

[Pandit Madan Mohan Malaviya.]

I have suggested such a proposal, and I draw the attention of the House to it, namely, that in section 156-A, which runs as follows:

"Cotton piece-goods, not of British manufacture—

(*a*) plain grey, that is, not bleached or dyed in the piece, etc.	*Ad valorem*	20 per cent. or 3½ annas per pound, whichever is higher.
(*b*) others	*Ad valorem*	20 per cent."

The words "not of British manufacture", etc., should be omitted, thereby making it applicable to all cotton piece-goods imported into this country; and that instead of 20 per cent. or 3½ annas per pound whichever is higher, we should substitute 15 per cent. or 3½ annas per pound which ever is higher.

Now, the great advantage of this suggestion is that it will be of uniform application to all cotton piece-goods imported into India irrespective of the country of their origin and yet the higher duty will not affect Lancashire goods because those goods are of higher counts. They will not come in under the operation of the 3½ annas per pound rate. They will have to pay only the general revenue duty of 15 per cent. Thereby they will receive the advantage of having practically a free market in India for higher count goods. We do not grudge that advantage to Lancashire. We offer it with open eyes. We recognise that Lancashire will derive benefit from it and we are not unwilling that, at this juncture it should. But in doing so we do not discriminate against any particular country nor do we show legislative preference to another. That is the great point of my amendment, and I submit, Sir, that is a proposal which should commend itself to the Government and to all parties in the House. I do not wish, at this stage, to take up more time. I commend this proposal to the House. (Applause.)

(Sardar Kartar Singh rose to speak.)

Mr. President: How many minutes does the Honourable Member wish to take?

Sardar Kartar Singh (East Punjab: Sikh): Fifteen minutes, Sir.

Mr. President: Take ten minutes.

Sardar Kartar Singh: All right, Sir. It is proposed by the Government to enhance the import duty on cotton piece-goods from 11 per cent. to 15 per cent. for revenue purposes and to introduce an additional levy of 5 per cent. protective duty, with a minimum of 3½ annas per pound on plain grey goods against all cotton piece-goods from outside the United Kingdom. The remedy suggested by the Government is worse than the malady. On account of the short-sighted policy of the Government in fixing the ratio at 1*s*. 6*d*. to the rupee, the purchasing capacity of the bulk of the population of India has decreased. On account of this high rate of exchange, the zamindars, the producers of cotton and wheat, as well as the millowners of Bombay, have suffered a considerable loss. They have been getting 12½ per cent. less for raw cotton and other commodities which they exported to foreign countries. The price of cotton and wheat has gone down, and Japan being the chief purchaser of cotton from India is, by the help of this high rate of exchange, able to purchase Indian cotton at a reduced price. Thus

the zamindars are not getting a good return for their produce and thus their purchasing capacity is considerably affected. Ever since the fixation of this high ratio, the people of India in general and the millowners of Bombay in particular have been crying themselves hoarse and requesting the Government to alter this ratio. But up till now the Government have turned a deaf ear to their cries, with the result that Japan, which is a chief purchaser of Indian cotton, and which, on account of this high rate of exchange, has been purchasing cotton at an extremely low price, has been able to capture the cotton piece-goods market in India. Japan gets an advantage of 12½ per cent. on all the cotton piece-goods that are imported into India. The result is that, even mighty England cannot compete with Japan. What is the good of imposing a 15 per cent. import duty when you give them relief of 12½ per cent. on account of the high rate of exchange? In spite of all the losses that the Indian zamindars and the millowners have suffered on account of the high rate of exchange, the Government have not made up their mind to alter the ratio. In a note by the Honourable the Commerce Member regarding the proposed duties on cotton piece-goods, it is stated by him that, since the excise duty was abolished, the Indian industry has received the full benefit of the 11 per cent. revenue duty. I do not agree with him. Whatever advantage the cotton industry must have gained on account of the 11 per cent. revenue duty, it lost on account of the high rate of exchange. The millowners have been drawing the attention of the Government to this state of affairs for the last three years. Now, the Government have awakened from their sleep, and Sir George Rainy has stated that the object in view at the moment is not the development of the Indian mill industry but its preservation. He has further stated, in his note, that the continued existence of a large number of the mills in Bombay island is threatened and it is only because the danger is so acute that the Government have felt justified in proposing a measure, which involves a departure from their ordinary fiscal policy.

Sir, the Bombay millowners are vocal, and they have made their voice heard and the Government is thinking of giving them some relief to keep their body and soul together. What about the cotton growers and the zamindars who, along with the millowners, have considerably suffered on account of the fall of prices brought about by the artificial exchange rate? Have they not become poorer and poorer day by day? Do not the Government care for 80 per cent. of the population? Do not they deserve to be kept alive? When they have suffered equally, or even more than the millowners, why should not the Government grant them as well as the millowners a relief by having resort to gold currency or fixing the ratio at 1*s*. 4*d*. per rupee? Well, Sir, the Government, by their short-sighted policy in the matter of exchange, have reduced the purchasing power of the zamindars, who are 80 per cent. of the whole population; and now let us see upon whom would this newly proposed tax fall. This tax would naturally fall upon the consumers; and who are the consumers? The consumers of coarse cotton piece-goods are again zamindars and not the rich people. The purchasing power of the zamindars having already decreased, this further taxation would break their back and they would not be able to bear this burden. Do the Government want that the people of India should not put on clothes and go naked? How long will you go on taxing the people? The Indians are suffering a loss of 40 crores of rupees every year on account of the high rate of exchange. Why do you not grant relief to all alike by reducing this rate of exchange and bringing it down to 1*s*. 4*d*. per rupee?

[Sardar Kartar Singh.]

We are asked, Sir, to levy a 20 per cent. duty on Japanese cotton piece-goods and on goods manufactured elsewhere than in the United Kingdom, *i.e.*, the Government ask us to agree to the principle of Imperial Preference. Do you want us to give preference to your goods, because you have enslaved India? If we ask you to give us Dominion Status, you at once say, "Oh, you are not fit for it; be not impatient and wait, we will do everything for you". Yesterday, in answer to a question, it was admitted by Mr. Howell that Indians were not eligible for diplomatic service. Indians are treated as slaves everywhere in the Dominions, as well as in the United Kingdom. What has the United Kingdom done for India that they want preferential treatment? India, no doubt, is a market of the United Kingdom, and you want to keep it as a market for ever; but we are poor, we cannot afford to pay you more when we can buy cheap elsewhere. Take into account the fact that the average income of an Indian is less than 2 annas a day. That being so, can you expect that we will be able to bear the burden of preferential treatment? You do not give us any preferential treatment, and how can you expect that we will agree to give you preferential treatment? The object of the Government being to give an impetus to Lancashire cotton piece-goods would never be secured by this imposition of 20 per cent. duty as proposed. Japan will give bounties to its manufacturers for three years and would hold its head up against Lancashire. Japan cannot afford to, and will not leave the Indian market, and the object of the Government of preserving the Indian mill industry would never be secured, nor would the United Kingdom gain any advantage by the preferential treatment. We know, Sir, the Government want to provide work to their men at Home; we know, Sir, they want to remove the unemployment there. What about the unemployment here? A very large number of Indians are unemployed and those, who are employed, do not get enough to live upon. Sir, we would never agree that, for the sake of giving employment to the people of the United Kingdom, their goods should be given preference. Preference could be mutual only and not one-sided.

There is another point, Sir, which I want to urge before this House, and that is that, if we agree to this preferential treatment, Japan being the chief purchaser of our cotton would either refuse to purchase cotton from India, or would purchase it at a very reduced price, and whatever it is charged in the form of additional import duty, it would make up by purchasing raw cotton at a reduced price. If Japan were to refuse to purchase cotton from India, the price of cotton would at once go down much lower and the zamindars would give up growing cotton, or even if Japan would go on purchasing cotton, Japan being the chief purchaser would fix and give a very low price. And in that case also the Indian cotton grower would suffer.

Let the Government of India think of the best interests of poor India. The Government don't want to develop Indian industries; that they have candidly admitted; they simply want to preserve Indian industries. So no good will be secured by imposing any extra duty. Sir, if the Government want to develop the Indian mill industry, let the Government stop the import of any foreign cloth. Let us wear *khaddar*, or any coarse cloth which we can manufacture here. You will see, Sir, that, in that way, India will become self-sufficient and we would produce as much cloth as is required for the needs of the population of India. The Government are talking of preserving the Indian mill industry at the expense of poor consumers the majority of whom are poor zamindars. The real object of the Government is to help the Lancashire cotton industry and not the Indian mill industry. We cannot afford to purchase cloth from England, we are too poor. England has not been able to compete with Japan because the labour in Japan is cheaper than in England. Let England make her labourers more efficient and let them charge less wages so that the British cotton piece-goods may capture the Indian market. Because labour in Japan is cheap and efficient, and because they have benefited on account of the short-sighted policy of the Government in the matter of exchange, they have succeeded in securing the Indian market. If a duty is to be imposed, then let a 20 per cent. duty be imposed on all imported piece-goods, which would lead to the rapid development of the Indian industry. Why have the Government selected cotton piece-goods alone, and left other piece-goods? Is it because cotton piece-goods are purchased by the poorer classes and silk and other superior goods by rich classes?

The Government are proposing protection for a strictly limited period with a strictly limited objective. But that objective would never be secured. Japan would not allow itself to be ousted from the Indian market, and the taxation would fall the heaviest on the poor peasants.

One good may come out of it, and that is this, that the people might begin to wear *khaddar*, and if that happens, the objective of the Government in the preservation of the mill industry would not be attained. With these remarks, Sir, I oppose this motion.

The Assembly then adjourned for Lunch till Five Minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Five Minutes to Three of the Clock, Mr. President in the Chair.

The Honourable Sir George Schuster (Finance Member): Sir, I wish to intervene in the debate at this stage to make one point and one point only. I wish to say something in answer to what was said by the Honourable the Leader of the Opposition with regard to the history of how we came to put forward our proposals. Sir, before I turn to that, I should like to express a word of thanks to the Honourable Pandit for the friendliness of spirit which he has shown in his speech, and for the moderation of his tone in speaking of a subject on which I know he feels very deeply. I feel sure that his speech has helped towards the conduct of this debate in the spirit in which I know the majority of Members would wish to see it conducted.

The Honourable the Leader of the Opposition has put us, in a sense, in an embarrassing position, because he has sought to go back and examine what I may describe as the birth-processes of this proposal. Obviously, it is very difficult for us to explain exactly to the House all that has taken place in those early stages of discussion, when one is tossing up ideas for consideration, and matters are discussed in confidential conversations and confidential correspondence. I should indeed be very pleased if we could

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reveal to the House exactly what has taken place, and I wish myself that the Honourable Pandit had been the keeper of my conscience throughout, because I have never spoken a word or had a thought on this matter which I should have been ashamed of his knowing. We have all thought throughout of the interests of India, though in my own ideas on this subject, I freely acknowledge that I have included a desire nothing should be done to antagonise opinion in England or to weaken England's power to befriend India in the world.

Now, Sir, there have always been two sides of the matter which we have had to consider. There has been the revenue side, and there has been the question of special protective measures. As regards revenue, as I have said in my budget speech, the case has been comparatively simple, and we came fairly early, in our consideration of this matter, to the conclusion that as revenue was needed this year, we could not put up proposals which did not include a proposal for raising the import duty on cotton piece-goods from its special rate of 11 per cent. to the general rate of the general revenue tariff of 15 per cent. We felt that, whatever interests were involved, we could not come before this House when we were asking for new taxation and not propose this change. That has always been a clear feature of our plan, and it is what we have referred to or at least what we had in mind, when we spoke about our main proposals. The question of the special protective measures raised much more difficult issues. We recognised, of course, that to raise the general revenue duty from 11 to 15 per cent. would have a very substantial protective effect, and I trust that that aspect of our proposals will not be lost sight of, because it is in a sense still the main framework of what we are putting forward. But we did feel that, in the case of certain lines of business, it would not be enough, and, in considering what more than this was necessary, we have always been up against this difficulty. We were seeking for some method of discrimination which would enable us to give an effective measure of protection, where protection was needed, without putting too heavy a burden on the consumer over the whole range of cotton piece-goods. That was at the bottom of our intention when we first made an inquiry into the possibility of substituting specific duties for the present general *ad valorem* duty. That led to the initiation of the inquiry carried out by Mr. Hardy. Honourable Members all know that that line of advance was found to be a *cul de sac*—it led nowhere. So we had to give up that proposal, and to consider something else. There was one pretty clear line, and that was that, so far as plain grey goods were concerned, we could discriminate without any particular difficulty. So that we were able to eliminate that as one fairly easy feature to be dealt with; and it is quite true that, in our original proposals, a special plan for dealing with plain grey goods was included. But before we came to that, we had turned over many other things, and, when we did come to that, that was never settled as our final plan. I do not want to dispute the correctness of what the Honourable Pandit said, for it is true in a sense to say that our original proposal did include a proposal for 3½ annas a pound minimum duty on all plain grey goods, but to say that alone is not to tell the whole of the story. Let me try to make clear what

3 P.M. I mean. When we were in the early stages of considering what special protective measures we should introduce,—and I am now trying to inform the House exactly what has passed through our minds

—we did very definitely consider something on the lines of the proposal which we are now putting forward, because when we came to examine the position in a practical way and to consider how we could effect the discrimination which we were seeking for, we found that, in actual fact, a distinction between British goods and non-British goods did fit in very nearly with the needs of the situation. Now—again trying to be perfectly frank with the House—I will say that, in our preliminary discussions on this matter, we, I may say, rather "shied off" this proposal, not because we did not think it was the right thing, but because we were influenced just then by the very considerations which the Honourable Pandit has mentioned in his speech. We felt, that, at the present stage, it might be liable to political misunderstanding. Therefore we gave up that plan and we tried to devise another method, and, as I say, we came to this idea of 3½ annas a pound minimum on plain grey goods. But we felt, all the time, that that perhaps was not sufficient, and it was at this stage that we were addressed in the way which has already been made public to this House by His Majesty's Government. Well, Sir, it is quite obvious, and I have made it perfectly plain throughout my own original explanation of the position, that the fact that we were so addressed by His Majesty's Government had a very considerable influence on us and it influenced us in this direction; it made us think: "Here is something which raises considerations which we cannot ignore, and perhaps, after all, it will be best to go back to our own original plan, to the course of action which we always wanted to take, and to put the position frankly before the House, risk the political misunderstanding to which I have referred, and put before the House what we ourselves in our own hearts feel to be the best measure for meeting the needs of the situation".

From that onwards I need say no more because the history is clear and has already been fully explained to the House. There is the position. We had, on the one side, reached the tentative conclusion that on the 15 per cent. revenue duty, we should at least, as part of our scheme, put on 3½ annas per pound all round on plain grey goods; on the other side, we had the plan which we have now put before this House, a plan which we feel goes much further to meet the needs of the situation and much more nearly satisfy those needs than any other plan that we can think of. There, Sir, is the case. And it is now for this Assembly to decide whether the plan which we have put forward does effectively meet the needs of the situation and would be better, from the point of view of the interests which we are trying to further, than a mere 15 per cent. revenue duty with 3½ annas a pound on plain grey goods. That is a straightforward issue on which we wish to have the views of this House. Sir, on that point I have no more to say, but as I have intervened at this stage, I do wish to touch just on one other point.

It has been said in the course of the general discussion on the Budget, and again it was referred to in this debate, that no British Dominion has yet accepted the principle of Imperial Preference. I do not know precisely what is meant by that. If it simply means this, that no British Dominion has accepted the principle in the sense that its Government would apply that principle regardless of the interests of the Dominions, that of course is a very clear proposition. But in practice all the Dominions have introduced systems of tariffs which do give very substantial preference to British goods. Australia has a British preferential

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tariff applicable to Great Britain and the self-governing British Dominions willing to reciprocate. It has, besides that, a general tariff applicable to all countries and an intermediate tariff held in reserve for the purposes of negotiations for trade reciprocity. The difference between the general and the preferential tariff is 15 per cent. Canada, again, has a British preferential tariff applicable to the United Kingdom and certain British countries, including India. It has an intermediate tariff applicable to Belgium and certain other foreign countries, and it has a general tariff. The preference varies between 10 and 7½ per cent. New Zealand has a British preferential tariff applicable to any part of the British Dominions, Protectorates, etc., and a general tariff—the preference is 15 per cent., British piece-goods being admitted free. South Africa has minimum and maximum tariffs. The details are rather complicated, and I need not explain them in detail, but again the tariff includes the principle of preference to British goods. Those are the facts of the situation, so that what we are proposing is in no way different, and contains no feature which could be said to differ from anything which has been accepted by the self-governing Dominions. But I wish again to make this clear, as was made clear in my budget speech, that we could not think of asking this House, at this stage, to accept the principle of Imperial Preference. All that we are doing is to put before the House a proposition and to say, "Here is a proposal for new tariffs which we admit includes a principle of differentiation. We believe that the principle of differentiation which we have adopted enables us to go more nearly to meet the needs of the situation than any other principle of differentiation which is practicable".

And that, Sir, brings me back to the point which I made before. Here is a proposition, which is a fair and square proposition. The whole of the facts are before this House, and we ask the House to decide now whether these proposals are in the interests of India.

Mr. H. P. Mody: Sir, the Bill before the House is a very belated but welcome recognition of the position in which the textile industry of India finds itself today. For years we had been urging upon the Government of India the necessity of protecting our manufactures against competition from other countries . . . .

Mr. A. H. Ghuznavi (Dacca Division: Muhammadan Rural): Was it India as a whole or Bombay alone?

Mr. H. P. Mody: Bombay alone in the first instance, and India as a whole for the last three years. I will come to the differentiation which is sought to be made between Bombay and the rest of India presently. We could not, however, get the Government to take effective action, and all that they did after much correspondence and discussion was to appoint a Tariff Board. That Tariff Board, Sir, which was very ably presided over by my Honourable friend Sir Frank Noyce (Hear, hear.) recommended a 4 per cent. increase in the revenue duty.

I do not, Sir, at this stage propose to criticise either the Tariff Board's recommendations or the arguments which the Government of India employed in order to turn them down. My intention, Sir, is to place before the

House as dispassionately, briefly and clearly as I can, on an important subject of this character, a general survey of the whole situation. I was saying that the Government of India turned these proposals down, and I entirely agree with what fell from my Honourable friend, the Leader of the Opposition, this morning, that, had the Government of India, at that stage, come to the assistance of the Indian industry, the industry would not have found itself in the position in which it is at present.

Mr. A. H. Ghuznavi: I do not know if it is in such a bad plight.

Mr. H. P. Mody: There are lots of things which my Honourable friend Mr. Ghuznavi does not know, but on which I hope to enlighten him before I have done. While the Government of India, like the unchanging East, were plunged in thought, Japanese competition increased in fierceness and intensity. In five years the imports went up from 217 million yards to nearly 550 million yards, that is, a rise of well over 100 per cent. Now, Sir, I do not want to say anything about the various reasons which have contributed to the success with which Japan has penetrated our markets. . .

Mr. A. H. Ghuznavi (in a low tone): Do you make those goods in India?

Mr. H. P. Mody: Yes, we make most of them.

Mr. A. H. Ghuznavi: Can you show that from your books and records?

Several Honourable Members: Please speak up.

Mr. H. P. Mody: Japanese penetration, as I have said, was very successful and was largely helped by the direct and indirect assistance which the State, pursuing a national policy, gave the Japanese manufacturers, and also by the fact that exchange was largely in favour of Japan for many years, and because of unfair labour conditions. However that may be, in the result, we had Japan pushing her goods at an alarming rate into our markets. My Honourable friend the Commerce Member said today that a material change in Japanese labour conditions has taken place through the adherence of Japan to the Washington Conventions. All that I want to say about that matter is, that if Japan adhered strictly to the Washington Conventions, which India was one of the first countries in the world to adopt, Japan would find it impossible to work two shifts. I am not concerned with whether conditions in Japan are better or worse than they are here, and whether Japan works 8½ hours as against our 10. The only consideration I would like to submit to this House is that, if Japan adhered strictly to the Washington Conventions, she would not find it possible to work two shifts, which give her such a considerable advantage over her competitors.

Diwan Chaman Lall (West Punjab: Non-Muhammadan): Does the Honourable Member mean that Japan does not adhere strictly to the Washington Convention?

Mr. H. P. Mody: If my Honourable friend had read the precise terms of the Washington Conventions he would have known that, under those Conventions it is impossible for any country to employ women and children for a stated period of 11 hours, in which the hours of 10 p. m. to 5 a. m. must be included in all cases. Japan has not adhered to that, and I submit,

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Sir, that if she did, she would not find it possible to work two shifts of 8½ hours each. I am not putting this forward in any argumentative sense. I am merely stating the facts of the situation. I say that, as a result of this fierce competition, which we have experienced from Japan, the textile industry throughout the country, and more particularly in Bombay, has suffered enormous losses. In the last five years, we in Bombay have lost nothing less than 10 crores of rupees. Now, Sir, there are various reasons for the losses we have incurred, due not merely to the extent of the competition which we have experienced from Japan but also the prices at which Japanese goods have been marketed. Anyway the result is there, that in a period of five years, the Bombay industry has lost over 10 crores of rupees.

Pandit Nilakantha Das: Will the Honourable Member enlighten the House in what way this amount has been lost?

Mr. H. P. Mody: I have thought and spoken on this subject so much, that if I were to answer every query and if I were to allow myself to be drawn into a detailed argument with every speaker, I am afraid I would be trespassing very greatly upon the patience of the House.

Mr. President: In that case, the Honourable Member need not give way.

Mr. H. P. Mody: Now, Sir, I should like to give the House an idea of what this loss means, and on whose shoulders it has fallen. In the last three years nine mills have been reconstructed and have reduced their capital. They have reduced their capital from 7 crores 45 lakhs to 2 crores and 82 lakhs. In the same period ten mills have gone into liquidation, involving a loss to the investing public of 1·14 crores. These are the losses which the public has directly suffered, apart from the depreciation of share values and innumerable other items which go to make up the loss which all Bombay practically has suffered during the last few years. Something has been said about the Managing Agents by my Honourable friend, Mr. Das, and by other people. I will not allow myself to be drawn into a detailed discussion of that, but I would like to say that the much abused Managing Agents have borne their full share of the losses which have been inflicted upon the industry. In the last three years, the Agents in Bombay have given up 18 lakhs of rupees by way of commission. In the same period, they have lost 85 lakhs of their capital in the concerns in which they had invested it. On the top of that, Sir, two crores of the Managing Agents' own money, lent to the concerns of which they are the agents, has had to be converted into capital, that is to say, to the extent of two crores. The Managing Agents have accepted a lesser security than the security which the mills offer. Besides, vast sums of money have had to be lent to their concerns by the Managing Agents at bank rate, or even less than the bank rate. In some cases even the interest has had to be given up.

Now, Sir, a great deal has been said in the last few years about the way in which the people in Bombay have managed the industry, and it has been urged that while we have been wailing about foreign competition, we have done nothing in the way of reconstruction. All that I can say is that, in the last few months, we have supplied ample information to the Government of India, and to various other people, showing what exactly has been

done by the industry. It is not possible for me to repeat all that, but I would just like to say that, in a period of unusual difficulty, we have spent not less than 75 lakhs of rupees in Bombay in the matter of new equipment. We have reconstructed our industry, we have reduced capital. We have had to take mills into liquidation, because we did not like them to be a burden on the industry, and in the matter of efficiency in our internal organisation we have done everything conceivable to set matters right. It might be urged that there must be something radically wrong with the Bombay industry that in spite of all this, we have incurred these enormous losses to which I have referred. It is unfortunate, Sir, and it is one of the things which has stood in the way of our obtaining a recognition of our just claims, that it should be so widely assumed that the position that I have been placing before you is entirely peculiar to Bombay. I say it is nothing of the sort. It is quite true that the industry in Bombay is in a much worse plight than the industry in various other centres, but I would like to disabuse the minds of Honourable Members here of any idea that the industry in other centres is by any means in a happy position. Let me give a few figures. Take the Central Provinces. I am taking the figures of seven mills, and excluding the Central India Mills managed by the Tatas, for the reason that that mill has been established for well over 50 years and is strongly entrenched financially. If you exclude that, and take the other mills, you find that, while they have a block of something like 2½ crores of rupees, they have made a total loss of 18 lakhs in the last five years. Not only are the visions of the golden days through which the industry in various provinces is supposed to be passing not correct, but so far as the Central Provinces are concerned, the industry has actually lost 18 lakhs of rupees. In Madras, at a time when the Bombay Mill industry's production had been greatly curtailed, thus conferring a considerable advantage on its up-country competitors, I find that, in 1928, on a block of 4 crores 30 lakhs, the net profit was just about 8 lakhs of rupees. That means less than 2 per cent.

Now, Sir, take Ahmedabad, the condition of which every one knows. But every one does not realise that, while Ahmedabad is by no means in the same position in which we or any other centre is finding itself to-day, the statements submitted by the Millowners Association of Ahmedabad go to show that the net return on the capital sunk in the industry, namely, the block account, has been no more than 4 per cent. in a period in which they are supposed to be experiencing an unusual degree of prosperity.

Take the case of Bengal, of which my Honourable friend Mr. Birla ought to know something. In three years the Bengal industry has made a loss of 32 lakhs of rupees. I am talking of the seven mills in Bengal, of which we have obtained the balance sheets. I find that, on a block of about 3 crores, the Bengal industry not only did not show even a reasonable return on capital, but actually lost 32 lakhs of rupees in the last three years. That, Sir, I hope will suffice to convince my Honourable friends, who have an open mind on the subject, that the industries in other centres, while they may be in a better position than we find ourselves in, are certainly not experiencing any measure of prosperity.

This was the position which confronted the Government of India in the course of the last year or two, and the agitation which we have been carrying on for the last five years had to be intensified. Among other things, I

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led a deputation of All-India Millowners to His Excellency the Viceroy in May last. That was followed by the appointment of a special officer, Mr. Hardy, to investigate the incidence and intensity of foreign competition. Mr. Hardy's Report is before the country. It is a very carefully compiled Report, and it says a good deal that required to be said in the matter of the competition which we are experiencing from various countries, particularly, Japan. On that, I led another deputation, this time to the Government of India. I think the House is entitled to know exactly what we placed before the Government of India, because I find that a great deal of misconception prevails on the subject. We asked the Government of India to give us protection to the extent of 20 per cent., with a minimum duty of 3½ annas. The Government of India have, for reasons which have been widely discussed in the last few days, not found themselves in agreement with our proposals. They have come forward with a proposal which, in view of their intention to accept my Honourable friend Mr. Chetty's amendment, amounts to this, that on all non-British countries the duty should be 20 per cent., with a minimum of 3½ annas per pound on plain grey goods from all countries. Sir, I am bound to state what effect this duty would have on the position of our industry. Without entering into any controversy, I would say that, though we have not obtained what we set out to obtain, the proposals now before the House are calculated to arrest the decline in our fortunes, and to give us a little breathing time within which to carry on and complete the re-organisation on which we are engaged. The only point I would like to make in this connection is that the period of three years is much too short. The duty will not be felt for another six months, because of the heavy consignments of foreign goods which have already been sent to our markets, and 18 months thereafter the Tariff Board will pounce upon us and will want to know exactly what we have done. Be that as it may, it must be stated that the proposals now before us will enable us to have a little breathing time, and to carry on that reorganisation which we regard as essential to the well-being of the industry.

I would just like, in this connection, if I may, to acknowledge with appreciation the labours of my Honourable friend Sir George Rainy. Sir, he knows very well that I have been fighting him for the last three years. I have never met, if I may say so, a more tough and formidable opponent in my life. But it is due to him that I should state that, though he has stood out resolutely against any relief to the industry for all these years. I am convinced that was because, so far as *he* is concerned at any rate, he did not feel that the case we had put up, or the necessities of the situation justified the imposition of a duty. But, Sir, he has now come forward with certain proposals, and I am bound to record my sense of appreciation of his labours in this connection. I would also like to say a word or two about my Honourable friend, Sir George Schuster, who has, from the moment he came to India, shown that he was very much alive to the grave plight of the industry and was anxious to do something for it if he could. But the position is there that we have not got what we wanted. Instead, we find ourselves on the horns of a dilemma. For one reason or another, the House and the country have been confronted with the issue of Imperial Preference. That issue is very important and very controversial, and far be it from me to try and ignore the sentiment against that principle. But, Sir, I would like to

supplement what my Honourable friend, the Finance Member, just now said about the implications of the present proposals before the House. In his budget speech my Honourable friend said:

> "We do not and, in fact, we could not ask this Assembly to commit themselves at this stage to accepting the principle of Imperial Preference. We ask them to regard this proposal merely as a special measure, designed to meet the immediate emergency."

Sir, Imperial Preference may be a very controversial issue, but if you look at it in the only way in which it should be looked at, you will find that it is like any other economic issue, a strict matter of business, and not of sentiment. Imperial Preference must mean reciprocity of benefits, and if there is reciprocity of benefits, then, I take it, the opposition to the principle which exists in the country at the present moment would be largely done away with. But I would like to repeat, that the present proposals before the House must be regarded not as an acceptance of the principle of Imperial Preference on the part of the House or any section of it, but merely as in the nature of emergency measures which the House is asked to accept because the industry in Bombay and the rest of the country finds itself in a very grave position. Let me tell the House that, in this there is no hostility to our friends, the Government and the people of Japan. I have nothing but admiration for the efficiency of the methods and organisation of the Japanese manufacturers. But, Sir, for one reason or other, the fact remains that their competition is killing our industry, and I say emphatically that no country, however friendly our relations with it, can be allowed to kill the indigenous industries of India. I want to ask my Honourable friends here what the Japanese Government would have done under similar circumstances. I venture to think that a situation like this would have received from them very sharp and short shrift. They would not have waited for five long years deliberating as to whether the necessity existed, and when that was established, as to how much was to be given. There would have been a sharp and swift response from the Japanese Government if similar situation had confronted them. To come back to my point, the position is this, and my Honourable friend the Commerce Member made it clear this morning in his speech, that if the House is not prepared to accept these proposals, then the Government, so far as they are concerned, are not prepared to accept any radical amendments such as are tabled and will be moved in the course of the next few days. Under the circumstances, I hope this House will support these emergency measures for saving the industry. If they do not do that, I venture to submit that the industry must go to the wall, and I cannot conceive any section of the House wishing that. After all, as regards the differential aspect of the proposals, there is going to be a revision after three years, and I think I may say with confidence that if, in the course of the three years, it is found that the five per cent. differential duty has enabled Lancashire to penetrate our markets, displacing Japan, and that we find ourselves in much the same position as we are in, *vis-a-vis* Japan, then, Sir, I have not the slightest doubt that the Government of India will no longer be able to maintain at that stage that we should not be adequately and equally protected against Lancashire as well.

Mr. M. S. Aney: We require greater protection from there.

Mr. H. P. Mody: I want the House to realise that this is a matter which admits of no delay. I have received telegrams, I am receiving them by the dozen every day, urging immediate action, because considerable consignments of foreign goods are pouring into Bombay and other markets, and that unless something is speedily done, the position of the industry for the next few months may not be any happier than it is at present.

Sir, the situation that confronts the City of Bombay and the Presidency generally is a very grave one. Our Presidency contributed, on an average, over 4½ crores of rupees by way of income-tax all these years. The latest figures go to show that our contribution in the shape of income-tax has dwindled to less than 2 crores. The effect on the revenues of India has been no less marked. Five years ago, when the industry was not in a bad position, we contributed no less than 2 crores and 28 lakhs of rupees by way of supertax. That figure dwindled down to five lakhs of rupees a year or two ago. These facts speak for themselves, and if what I submitted to the House carries any weight with it, I have established three things—that we are menaced by very fierce and unequal competition from certain countries, that the industry in Bombay and other parts of India has suffered enormous losses, and that anything that was reasonably possible has been done to meet the situation what time the Government of India were deliberating as to what was to be done. My appeal now, Sir, to this House, is to take a long view of the situation, and not to be led away by extraneous considerations. I ask the House to realise that a great national industry is now with its back to the wall, and that if they do not go to its assistance, it must be seriously and permanently crippled.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): That also would be a sentiment.

Mr. H. P. Mody: My Honourable friend Mr. Neogy's idea of sentiment is something remarkable. A national industry going to the wall, with crores of rupees loss to the public . . . . .

Diwan Chaman Lall: How is it national?

Mr. H. P. Mody: I will presently convince my Honourable friend the labour leader that this industry is national in every sense of the word. And yet my Honourable friend Mr. Neogy says that if the State is asked to go to the assistance of such an industry it is a matter of sentiment. (Interruptions.) Sir, I would rather avoid these interruptions, because I have a habit of answering them in a way I would not like to answer them on this occasion, particularly in view of the fact that, in the last few days, from the various discussions which we have had with the leaders and representatives of various parties, I have noticed, to my very great gratification, a spirit of great friendliness to the industry and to those who conduct it. (Hear, hear and Applause.) In particular, Sir, I should like to refer to my Honourable friend the Leader of the Opposition, whose great sympathy and consideration for what he has repeatedly said is a national industry, is well known, and whose support of every national cause is beyond dispute. It is a matter of very great pain to me that, on an occasion of this character, I and some of my friends here should find ourselves in opposition to my Honourable friend, Pandit Madan Mohan

Malaviya, and other friends, notably Mr. Jayakar. But, Sir, we cannot afford on this occasion to take stock of anything else, but the fact that we are today confronted with a very grave situation, and it is either a case of our being starved out of existence, or our struggling through a difficult period on to a period of reasonable prosperity. My Honourable friend Diwan Chaman Lall wanted to know how and why this was a national industry. Sir, I am surprised at a question of this character coming from anybody in the House; I should like to tell my Honourable friend that an industry in which a hundred crores of rupees very nearly have been sunk, most of it practically Indian money, an industry which is very largely conducted. . . . . .

Mr. A. H. Ghuznavi: It has paid itself twice over.

Mr. H. P. Mody: . . . . . by Indian brains, Indian energy and Indian enterprise, an industry on which the employment of hundreds of thousands of people depend, an industry on the prosperity of which depends the well being of millions of people who are in one way or another concerned with the industry's prosperity, I say, Sir, that if that is not a national industry, I should like to know what is a national industry. (Hear, hear and Applause.) I should like to add that, if the industry lives, labour lives and thrives. It may be that we have had our differences. Capital and Labour in all countries have their differences. But it is a fact that, in Bombay we are hoping to move gradually but steadily to a happier plane of relations between capital and labour. However that may be, it can not be disputed that, on the prosperity of the industry, would depend in a very vital measure the prosperity of labour.

Mr. Fazal Ibrahim Rahimtulla: Labour leaders thrive without the industry.

Mr. H. P. Mody: Sir, there is widespread unemployment in Bombay at the present moment; I think we are working about 20 to 25 per cent. short of our full strength, and that must mean unemployment to thousands of people. If the industry is enabled to tide over this difficult period and enabled to become prosperous, I ask my Honourable friend, Diwan Chaman Lall, whether it is not a fact that labour would benefit directly and vitally from such an improvement in the fortunes of the industry. Sir, we are all marching towards one definite goal, some of us haltingly, some of us resolutely, but the goal is one, and we are all marching towards it. We have all hopes that the day is not distant when India will realise the summit of her ambitions and natural aspirations. But, Sir, there is one aspect of the question which I want to put to this House, and through this House to the country, whether it is possible for India, even when she attains the fullest measure of self-government, to maintain her position in the Commonwealth of Nations, if her economic condition is on the low plane on which it stands at the present moment. It is obvious that, without opportunities for expansion of trade and industries, the position in which the India of tomorrow will find herself will certainly not be very happy, although, she may have found the full realisation of her political ambitions. We have complained times without number—and I must say to my friends on the Treasury Benches, with the fullest justification—that the progress of India's trade and commerce has been impeded, if not throttled, by the policy pursued by the Government of India in times past. Are we in this House, on the present occasion,

[Mr. H. P. Mody.]

to pursue, however unwittingly, a policy which we have condemned times without number? That, Sir, is the true implication of the vote which this House is asked to give on this Bill.

Mr. M. S. Aney: No!

Mr. H. P. Mody: I wish, Sir, the strength of my Honourable friend's tone would carry conviction to me. I do not think it carries conviction to anybody. I say, Sir, that if we want to be truly great, we want a national policy in trade and economics today. An industry whose stake in the country and whose importance and national character cannot be questioned, comes to your door asking for assistance, and I say the House will ponder long and ponder deeply before it will deny that assistance which we are pleading for to the greatest industry in the country.

Diwan Chaman Lall: Sir, I had no intention of speaking immediately after Mr. Mody.

Mr. President: Then why did the Honourable Member rise? (Laughter).

Diwan Chaman Lall: The reason is, Sir, that Mr. Mody in his very eloquent address, has, for the first time in my life, convinced me that the millowners of India ought to be treated as an intellectual class. (Laughter.) Now, Sir, I rise because I consider that his speech is worthy of a reply; I rise because of a charge he has made,—I say "a charge" deliberately,—when he said that the cotton industry was a national industry. The main subjects to be considered are, (1) whether protection is necessary, (2) whether protection is desirable and (3) whether British preference that is given in this Bill is a thing that we ought to accept. Before I come on to them let me deal with my Honourable friend Mr. Mody and let me ask him in what particular manner does he consider this industry to be national? If it can be proved that this industry is really a national industry I do not believe that there is a single Member on the floor of this House who would not be willing to do all he can in order to support that industry. My friend Mr. Mody is suffering from a peculiar complex. With the advance of socialistic doctrines in the world, we meet with human beings whose intellects are coloured more and more by socialistic doctrines and when their minds are confused about what is and is not national, when their minds are confused about the two terms "nationalised" and "nationalist", they immediately pounce upon the significance of the word "nationalised" and convert it to their own use. The industry is controlled by us, we who are nationals, therefore it must be a national industry. That is the argument. Who are the controllers of that industry? A handful of millowners of this country. For whose benefit is this industry run? Does my friend intend to say on the floor of this House that this industry is being run for the benefit of the working classes who are engaged in this industry? It is a most preposterous proposition and my friend knows that it is a preposterous proposition.

Mr. H. P. Mody: We run it for the benefit of everybody. Mr. Mody said: We are not philanthropists . . . . .

Diwan Chaman Lall: I am glad my Honourable friend realises that he is not a philanthropist. What he wants now is this with a beggar's bowl in one hand and a pistol in the other; he says, "Give me this and if you do not, your life is at stake, because it is a national industry and the nation's interest will suffer if you do not give me this." I am glad my Honourable friend admits that this industry is not being run on philanthropic lines for the interest and benefit of the working classes. Let him be perfectly honest and frank and say that this industry is being run for the profit and benefit of the few who own that industry. The nation does not own this industry, it is a few who own it. My Honourable friend is perfectly aware of the past history, during the last few years, of the strikes, the troubles and the bitter fights that were witnessed between this handful of people on the one side and the workers on the other side, whose interests Mr. Mody trots out on the floor of this House. Did they regard their interest at that time when these people were starving in Bombay? Did they consider this industry to be national at that time? They did not; let my friend drop this argument of this industry being national. Yes, it would be national if the enormous profits ranging in a period of five years (1917—1922) to 177·9 per cent. of the total capital invested in this industry had not been put into the private pockets of the owners but handed over to Government for the benefit of the nation. In what sense, I ask him again, in what sense is this a national industry? Is it for the benefit of the people of this country? The only benefit that the people of this country are going to derive as a result of the activities of my Honourable friend over there is that every poor man who wears a *dhoti*, every poor man who wears a shirt will have to pay more for it; he will take out the little money that he uses for his food and go without his food in order to wear that cloth. This will be the result of the activities of my friend. Is this an advantage which the nation is going to derive out of this national industry? Who is going to suffer? Not my friend over there. He will stabilise his industry, he will strengthen his industry; he will be in a position to declare a dividend of 100 per cent. such as they declared in the olden days, not so very long ago, just a few years ago. He will then turn round and not complain about its being a national industry. The man who will suffer will be the consumer of cloth in India. Every man who wears cotton in this country will have to pay more in order that my friend over there should not be placed upon the unemployment list. (Laughter.) What the millowners are thinking about at the present moment is unemployment. They are faced with the problem of their own unemployment (Laughter) and they camouflage the real state of affairs by appealing to the sentiments of my friends on my right, my friends on my left, my friends in front of me, and say that the prestige and the prosperity and the interests of this nation are at stake and therefore they must be given this protection in the absence of which the nation will suffer. (Hear, hear.) Sir, I have always felt throughout my life that hypocrisy is one of the greatest crimes that any human being can be guilty of, and when I hear arguments of this nature I cannot describe them by any other more effective name than that name. Let us be perfectly frank. We are in distress, say the millowners; will you kindly help us out of our distress? We have been in distress not because of what we have done, say the millowners, but because of the

[Diwan Chaman Lall.]

crimes committed,—and certainly in some cases there were crimes committed,—by the Honourable Members sitting opposite. We are in distress, say the millowners; please come to our rescue, because if you do not, the future is very dark. Now, I want my Honourable friend, Mr. Mody, to search his heart and find out in what particular measure he and his colleagues have contributed to the distress of this industry. (Hear, hear.) And if this House is going to give them the assistance that he seeks, what guarantee will he give this House that he is going to put his house in order? (Hear, hear.)

Mr. H. P. Mody: Spare us from that phrase.

Diwan Chaman Lall: My friend says, spare us from this. Naturally a school boy does not like to be shown his faults. My Honourable friend does not like this particular thing because he knows he has been charged by an expert committee, the Tariff Board, with not having put his house in order. He has been asked to put his house in order and I stand here and ask him to let this House and through this House the country know how he and his colleagues have put their houses in order.

Mr. H. P. Mody: I am prepared to take up that challenge.

Diwan Chaman Lall: My Honourable friend says, he is prepared to take up the challenge. Why has not that challenge already been taken up? The Report of the Tariff Board has been public property for a few years. Why has not that challenge been taken up already? How many of the things they have suggested have been done? The trouble with them, Sir, is this. The trouble with this industry is the trouble with all industries which are run on an hereditary basis. There is not an industry in the world, I say deliberately, that can stand the incompetence and the inefficiency of three generations. (Hear, hear.) That is the charge against the cotton industry in Bombay. I would like to know how many of these gentlemen, who are at the head of this industry in Bombay, have the competence to run that industry? It is an open secret that with the exception of a handful of them, the rest are not competent to run that industry, and we are being asked to tax the poor man in this country, the man whose average income is so miserable that he cannot make the two ends meet, in order to make my friend over there and his colleagues prosperous on the false and fictitious plea that this industry is a national industry.

Now, Sir, the point that my friend raised is a small point, but I would like to refer to it, that is with regard to the Washington Convention. If proof were needed of the incompetence of these gentlemen, proof positive of the argument that my friend advanced—he talked about the Washington Hours Convention not being honoured by Japan and I asked him what he meant by that and he said that, if they had stopped their work between the hours of 10 and 5, then they would not have been able to run two shifts, and because they would not stop between 10 and 5, therefore they have not honoured the Washington Convention. I hold the Washington Hours Convention in my hand. I pass it on to my Honourable friend for his benefit. Let him read it and show me any particular article in the Washington Hours Convention under which Japan is prevented from working between 10 and 5.

Mr. H. P. Mody: I have read it.

Diwan Chaman Lall: I am asking him to read it now. I am challeng-

4 P.M. ing him to prove to me by referring to the Washington Hours Convention which I hand over to him, to show me any particular article in that which says that between the hours of 10 and 5 Japan should not work. In fact it is article 9 that applies and it lays down 57 hours as the limit, weekly limit, of work, and now today the Japanese workers are working less than 57 hours under the new scheme. What he refers to is quite a different convention, to which I shall come later. The other arguments are exactly on a par with this, when he gave us a very delightful picture of the profits earned during the last few years, he was very careful to see that he was not taking the actual capital invested, a very significant fact. On that basis any man can turn these figures to mean exactly what he chooses to say. What is the actual position? Will my Honourable friend deny, will he deny this fact, that between the years 1917 and 1925 his mill industry paid out in dividends alone 177·9 per cent. of the total capital invested? (Interruption.) Will he deny that fact? I ask him to deny it if it is incorrect. If an industry between 1917 and 1925, an industry which has been in existence since 1850, has been able to pay dividends amounting to 177·9 per cent. of the total capital invested in that industry, I say what has been wrong with that industry? Why has not the industry been able to entrench its position and compete with Lancashire, compete with Japan and compete with China? Why were they not able to do it? I ask my friend to give me a reply to that?

Mr. H. P. Mody: You ask so many questions, but I have not got the opportunity of answering. I would very much like to answer every one of them. You go from challenge to challenge. But I cannot meet it at this stage. (*An Honourable Member*: "Let some one answer.")

Diwan Chaman Lall: He says there is no opportunity to answer my question. He spoke before me. It is his misfortune that he spoke before me. But I want to ask him, when he was speaking he surely should have anticipated several of the arguments that have now been advanced. (Hear, hear.) He knew perfectly well that those arguments were going to be advanced. Why did he not anticipate them? But he has not challenged my facts.

Mr. H. P. Mody: How do you know?

Diwan Chaman Lall: He has not challenged my figure of 177·9 per cent.

Mr. H. P. Mody: Who said that?

Diwan Chaman Lall: Oh, my friend has challenged it? He has changed his mind, Sir. (Laughter.) Since my Honourable friend has changed his mind . . . .

Mr. H. P. Mody: I dispute that. I have not changed my mind. I am prepared to challenge every one of the so-called facts which my Honourable friend, Diwan Chaman Lall, has placed before the House and he knows that I am not in a position to say anything now because I have exhausted my right of speech. Let him put all this in the Press and I will give him an answer. (Applause.)

Diwan Chaman Lall: My friends sitting there cheer my friend, Mr. Mody's statement, cheer it ironically. That ironical cheer is answer enough for him. "Let him come out in the Press and I will challenge those statements". Sir, I was advancing the arguments that our millowners are incompetent. Nothing can be more certain than this; nobody could be more certain of this fact than I am after the statement . . . .

Mr. H. P. Mody: You have changed your mind? I thought you should.

Diwan Chaman Lall: I say this for this reason. These facts that I am stating on the floor of this House have been public property all these years. They have been put before us by the Tariff Board's Report, and my Honourable friend challenges this fact, not having read even the Tariff Board's Report, and he wants the House to believe that the millowners have given effect to the recommendations of the Tariff Board, not having read even the Tariff Board's Report. I am surprised at this and I ask him now if the figures—I have taken them out of the Tariff Board's Report—are correct or incorrect and if they are in his opinion incorrect, will he tell me of any occasion—he happens to be the Chairman of the Millowners Association of Bombay—any occasion on which the Millowners of Bombay or his Association or he individually has controverted those facts contained in the Tariff Board's Report? I pause for a reply again. I take it that they have never been controverted. I take it that when my Honourable friend said that he would challenge my facts, he was merely indulging in a form of words. He was not serious. Those facts are all on record. I ask him if it is the position that 177·9 per cent. of the capital invested in this industry has actually been returned to the investors in the industry during those years? And what does it show? I want to know what is exactly wrong with the business? Why were not they able to entrench themselves, considering that no attack from Japan or Lancashire or China could have had any effect? Why were they not in a position to do so?

Mr. M. A. Jinnah: Because they didn't consult you.

Diwan Chaman Lall: They did not consult experts. (Applause.) The Leader of the Independent Party is not an expert in this matter. They should have consulted experts. The reason why they find themselves in their present position is because it is a hereditary business, because it is handed down from father to son, because incompetence is handed down from father to son. Now take the case of Japan. Does not Japan import its cotton from India in large quantities? Does not Japan manufacture that raw cotton into manufactured goods; and does not Japan send those manufactured goods into India? And does not Japan succeed in underselling our friends the Bombay millowners in spite of this handicap of having to import cotton from India, pay freight, manufacture it there in Japan, pay freight again and pay duty, and yet undersell goods manufactured in this country? How is that possible? Have our friends the millowners ever thought as to how it is possible for the Japanese to do so? They have not thought of it. What is the position? The position is this, that they have not considered deeply the question of the reorganisation of their industry on a scientific basis. Whose fault is it? Is it the fault of the average man in the country who is going to be mulcted because of the incompetence of these gentlemen? Or is it the fault of the Members of this House? Is it the fault of

anybody in India that they have not been able to make their industry prosperous, strong, able to withstand the attacks of foreign competitors? It is because of something that was wrong that they come to us now and ask us in the name of the people of India, in the name of the nation, that we should support their misadventures in this industry, that we should subsidise their incompetence in this industry (Hear, hear), that we should assist them to entrench their position, may be only temporarily, may be only for a short period, but at what cost, I ask? At the cost of the hungry starving millions of this country. I made a suggestion to my friend on another occasion on the floor of this House. Incompetent as this Government is (Laughter), they would probably be in a better position to run this industry than our friends over there who are running the industry for their individual profit. We have the example of the Railways which at any rate are paying a fairly decent dividend.

Lieut.-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): Not this year.

Diwan Chaman Lall: The industry might pass through difficult times, but when the boom period came back, whatever profits were earned by that industry would go into the common exchequer and not into the private pockets of the millowners. Then only would it be a national industry. It is not a national industry in present circumstances. I, therefore, Sir, oppose, and I oppose with all the vehemence that I can command, this proposition that we should add further to the indirect burden by taxation which is now placed upon the masses of India. We are already, I believe, paying something like 64 per cent of our taxes in the shape of indirect taxation, and this further imposition for the benefit of a few individuals in Bombay will add to the burdens of the poorer classes of this country. And it is on that score that I oppose this motion. Further, I am convinced that protection at the present stage is not only undesirable,—that is my first line of opposition—but protection at this stage is unnecessary; that, if they would only put their own house in order—an expression which my Honourable friend does not like—I have not the least doubt that all would be well in the industry. Why, only a short while ago, not very long ago, Ahmedabad had gone to a very low depth of depression; the mill industry of Ahmedabad was not paying high dividends of the olden days. Now more mills have been added and they are still paying dividends.

Mr. M. A. Jinnah: Because they are more competent?

Diwan Chaman Lall: Because they are more competent. If only my friend Mr. Jinnah will read the Tariff Board's report—the trouble here is, Sir, that nobody reads anything.

Mr. M. A. Jinnah: You have read it?

Diwan Chaman Lall: I am prepared to take this challenge that Mr. Jinnah has not read the Tariff Board's Report.

Mr. M. A. Jinnah: My Honourable and learned friend may have read it, but has not understood it.

Diwan Chaman Lall: I am in a position to contradict my learned friend; I contradict him and I want him to contradict my contradiction. I want to put my learned friend wise. He knows or he ought to know the Tariff Board's Report. The Ahmedabad millowners preserved their profits to a larger extent than the Bombay millowners. When the depression came—it is all to be found in the Tariff Board's report, the red book by which Mr. Mody ought to swear—because they had preserved their profits, the Ahmedabad millowners were in a position according to the Tariff Board's report, to meet the period of depression. The Bombay millowners did not; they are not in a position to meet depression, and why are they not in a position to meet it? Because instead of preserving their profits, they wanted to indulge in great speculation, because they wanted to boom the share value of their shares, because they wanted to get rich quickly, because they wanted to do all these things in order that they should themselves profit by this process, and they did not reckon, they did not care for the future. They disregarded the economic proposition that, after every boom, there must come a period of depression some time or other. They indulged in industrial profligacy and found themselves in difficulties when the depression came. Now, it is obvious that they themselves were to some extent a contributory cause of this depression because, when the boom came, they had no reserve left with which either to buy new machinery and put their house in order or reorganise the industry. They are now faced with this problem that they are not able to do this. I say, under these circumstances it would be criminal on the part of this House (Hear, hear) to make a present, as the Honourable the Finance Member intends to do, to the cotton millowners of Bombay and elsewhere in India to the extent of several crores at the expense of the man in the street, until and unless he is in a position to extract a guarantee from my friends that they will put their house in order and that they will divert, whatever profits they are going to make, a substantial portion thereof for the benefit of the working classes engaged in this industry. I want to tie my friend Mr. Mody down to this proposition. Let me for a moment believe as he says that, it is a national industry. Will he, believing that it is a national industry, do the right royal national thing and promise on the floor of this House, on behalf of all the millowners of Bombay, that 75 per cent. or 50 per cent. of the profits that this industry will make as the result of the assistance being given to it by the Honourable Member over there, that they will divert 50 per cent. of those profits for the betterment of the working classes engaged in this industry? If he has regard for his words, and if he values the words that he utters, will he give me this assurance that 50 per cent. of the profits that he gets in this industry he will divert for the benefit of the working classes?

Mr. H. P. Mody: I am surprised at my Honourable friend's moderation. He only asks for 75 per cent.

Diwan Chaman Lall: I am asking my Honourable friend for 75 per cent., but he is asking for the full pound of flesh from the workers of India. (Hear, hear.) He is asking for the full pound of flesh from every man in this country, from every poor man in this country. Does he realise that? He has not asked for a mere 75 per cent.; he has asked for the full 100 per cent. Now I want him to give me this promise. Will he do so? If he really values his words and says it is a national industry, let him consider the interests

of the nation; let him consider the interests of these millions of people who according to him are interested in this industry and who are affected by this industry. Will he do so?

Sir Zulfiqar Ali Khan (East Central Punjab: Muhammadan): Will that be your final demand?

Diwan Chaman Lall: Sir, I am not at all hopeful that my friend will be so eager to jump up in his seat when I put him this question. (Laughter.)

Now, Sir, I would like to come to the main proposition . . .

Mr. President: Order, order: if the Honourable Member is going to be long, I think I had better adjourn now.

Diwan Chaman Lal: Yes, Sir: I think I shall be long.

Mr. President: How long does the Honourable Member wish to speak?

Diwan Chaman Lall: For at least three-quarters of an hour.

Mr. President: The House stands adjourned till Monday morning at Eleven O'clock.

The Assembly then adjourned till Eleven of the Clock on Monday, the 17th March, 1930.

LEGISLATIVE ASSEMBLY.

Monday, 17th March, 1930.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

MEMBERS SWORN:

Mr. Pamulapati Venkatakrishnayya Choudhri, M.L.A. (Guntur *cum* Nellore: Non-Muhammadan Rural); and Mr. Saradindu Mukerjee, M.L.A. (Calcutta Suburbs: Non-Muhammadan Urban).

QUESTIONS AND ANSWERS.

REMOVAL OF PRIVATE WATER MILLS IN THE NORTH-WEST FRONTIER PROVINCE.

581. ***Maulvi Muhammad Yakub:** (*a*) Will Government please place on the table a statement showing:

(i) the number of private water mills ordered by the Local Government of the North-West Frontier Province to be removed, showing the dates on which they had been built; and

(ii) the number of water mills on the district canals belonging to Government?

(*b*) Will Government be pleased to state the special reasons which necessitated the deprivation of the owners from the income of their private mills which they owned from time immemorial?

(*c*) Will Government be pleased to state if:

(i) compensation has been awarded to the owners, and if so, whether the assessment of compensation was determined by arbitration or by Government officers; and

(ii) in the latter case, why not by arbitrators appointed by Government and mill owners?

(*d*) Is it a fact that, by the removal of all private water mills in the Peshawar District the revenue realized on the water mills owned by Government will be considerably increased?

(*e*) Will Government be pleased to state the number of appeals preferred by the owners of the water mills to the Revenue Commissioner, North-West Frontier Province, and the number accepted?

Sir Frank Noyce: (*a*) (i). Of 1,074 privately owned water mills in the Peshawar District which date from about 1893, five were ordered to be closed during the last settlement operations.

(ii) A statement is laid on the table.

(*b*) The five mills which were closed date from about 1893 and not from time immemorial. Four of these mills were situated on the Charpariza drain, which serve a large tract of country. Government had spent about Rs. 13,000 in clearing this drain in 1926, but it became evident that expenditure on silt clearance was mere waste of money until the enormous masonry dam, on which the mills worked, was removed, as it led to the country being swamped. Similarly, the fifth mill was ordered to be closed, as all land on either side of the Wadpagga Channel on which it was situated was found to be permanently under water. A statement showing the decrease in the cultivated area of some of the villages near the Charpariza drain and the Wadpagga Channel since 1895 is laid on the table.

(*c*) (i) and (ii). In the case of the mills on the Charpariza drain, compensation was awarded not only to the owners of the mills which were ordered to be closed but also to the owners of four other mills who had found that their mills could not work satisfactorily as a result of the silt clearance of the drain. The compensation was assessed by a Government Officer as required by sections 50 and 55 of the Punjab Minor Canals Act, 1905. These sections do not provide for the appointment of arbitrators. As regards the mill on the Wadpagga Channel, no compensation was paid as the owner had given a written undertaking in 1893 or thereabouts when permission was accorded for building the mill that he would have no claim for compensation, if swamping occurred and Government ordered the mill to be closed.

(*d*) The mills which were ordered to be removed were situated miles away from the nearest Government mill. It is believed that the income obtained from the latter was entirely unaffected by the closure of the private mills.

(*e*) Appeals were referred against the order of removal both in respect of mills running on the Charpariza drain and the mill on the Wadpagga Water Channel. They were rejected.

Statement showing the number of Government water mills on the District Canals.

Government Canals.

	Working.	Under construction.	Total.
Upper Swat Canal	44	4	48
Lower Swat Canal	5	2	7
Kabul River Canal	11	..	11

Private Canals.

There is only one Government mill on the private canals in the Peshawar District.

II.

Statement showing the decrease in the cultivated area of some of the villages near the Charpariza drain and Wadpagga Water Channel on account of swamping.

Village.	Area cultivated in 1895.	Area cultivated in 1928.
	Acres.	Acres.
Charpariza drain—		
Mandu Khel	352	289
Garhi Mir Taib	135	82
Choli	716	524
Hariana Bala	586	249
Charpariza	384	241
Wadpagga Water Channel—		
Wadpagga	472	446
Cho	261	171
Pakha Ghulam	457	442
Dauranpur	373	358

PREVENTION OF FLOODS.

582. ***Maulvi Muhammad Yakub:** Will Government be pleased to refer to starred question No. 300, answered on the 10th September, 1929, and state:

(i) whether any investigation in the area referred to has since been made by the Flood Committee? If not, why not, and by when such investigation is likely to be made?

(ii) whether the information referred to in part (*c*) of the question has since been called for from the Local Government? If so, when; if not, why not?

(iii) whether the attention of the Local Government has been drawn in the matter referred to in part (*d*) of the question? If so, when; if not, why not?

The Honourable Sir Bhupendra Nath Mitra: (i) No. This Committee was appointed by the Local Government, who are responsible for the terms of reference. The Resolution appointing the Committee and the Report of the Committee show that the Committee was asked to enquire into the conditions prevailing in the districts of Balasore, Cuttack and Puri and not in the districts to which the Honourable Member refers.

(ii) and (iii). Do not arise.

CONDUCT OF MUNSHI GAYA PRASAD OF THE EDUCATION DEPARTMENT, AJMER-MERWARA.

583. ***Maulvi Muhammad Yakub:** With reference to the reply given in the Legislative Assembly on the 12th September, 1929, to my starred question No. 432, relating to the conduct of Munshi Gaya Prasad of the Education Department of Ajmer-Merwara, will Government be pleased to supply the information asked for in that question?

Sir Frank Noyce: The information asked for by the Honourable Member was supplied to him on the 28th November, 1929. The answer then given to his question was:

(*a*) Yes. A complaint was made that a lady teacher was not treated with the respect that was due to her.

(*b*), (*c*) and (*d*). Yes.

(*e*) Yes. The Assistant Superintendent of Education was informed that his action was ill-advised.

THE CREW SYSTEM OF TICKET CHECKING ON THE EAST INDIAN RAILWAY.

584. ***Dr. Ziauddin Ahmad:** (*a*) How many years' trial have Government given to the crew system in the East Indian Railway? When are Government likely to make it permanent?

(*b*) Are the officers in the crew system included in the bonus scheme? If not, why not?

(*c*) Are the Crews-in-charge recruited direct or by promotion? What percentage of the Crews-in-charge is recruited by promotion?

Mr. A. A. L. Parsons: (*a*) The crew system was first introduced on the East Indian Railway on the 1st August, 1926. The question of the continuance of the system is at present under the consideration of the Government.

(*b*) I am unaware of what bonus scheme is referred to by the Honourable Member. Those of the crew staff who are permanent employees participate in the benefits of the Provident Fund and gratuity rules.

(*c*) I am advised by the Agent of the East Indian Railway that crews-in-charge are recruited by the promotion of the most capable and meritorious crewmen, subject to their having passed a test examination.

HOURS OF DUTY OF CREWS AND COMPASSIONATE ALLOWANCE FOR ACCIDENTS.

585. ***Dr. Ziauddin Ahmad:** (*a*) How many hours each day are the members of the crew expected to work? Are they allowed overtime allowances? If not, why not?

(*b*) Have Government given any compassionate allowance to the families of the crew and the crew-in-charge who accidently died while on duty?

(*c*) Is the compassionate allowance reserved for persons who bear European names? If not, will Government be pleased to state the names of persons to whose families compassionate allowances or pensions were given after their accidental death?

Mr. A. A. L. Parsons: The information is being collected and will be furnished to the Honourable Member in due course.

HOUSE ACCOMMODATION FOR CREW OFFICERS.

586. ***Dr. Ziauddin Ahmad:** Do Government provide suitable house accommodation for the officers in the crew system in the same manner as they do for other railway officers of the same grade?

Mr. A. A. L. Parsons: I am enquiring from Railway Administrations and the Honourable Member will be informed in due course.

INVESTMENT OF THE RAILWAY RESERVE AND DEPRECIATION FUNDS.

587. ***Dr. Ziauddin Ahmad:** (*a*) Will Government be pleased to state the amount in the Railway Reserve Fund on the 1st January, 1930?

(*b*) Will Government be pleased to state the amount in the Railway Depreciation Fund on the 1st January, 1930?

(*c*) Where and at what rate of interest are the Reserve and Depreciation Funds invested?

(*d*) What amount has been budgeted in the income of 1930-31 as interest on the investment of the Reserve and the Depreciation Funds?

(*e*) Did the Railway Board consult the Standing Railway Finance Committee about the manner in which these Funds are invested?

Mr. A. A. L. Parsons: (*a*) and (*b*). The balances of these funds are actually worked out at the end of each financial year. On the 31st March, 1929, the balance in the Railway Reserve Fund was 18·42 crores, and that in the Depreciation Fund 11·41 crores.

(*c*) Except for the small sum of 47 lakhs invested in 1925-26 from the Railway Reserve Fund in the shares of Branch Line Companies, the amounts form part of the Ways and Means Balances of the Government of India. Interest is allowed to the funds at 1 per cent. below the rate charged by the Government of India to the Provincial Loans Fund. The rates vary from year to year; for 1929-30 the rate has been fixed at 4½ per cent.

(*d*) The total amount, including dividends on the shares of Branch Line Companies referred to above is 145¼ lakhs.

(*e*) No: but as I have explained, these funds are not invested in the real sense of the word.

NOTE OF DISSENT TO THE REPORT OF THE CENTRAL COMMITTEE WRITTEN BY DR. A. A. SUHRAWARDY.

588. ***Dr. Ziauddin Ahmad:** (*a*) Is it a fact that Dr. Abdullah Almamoon Suhrawardy wrote a note of dissent in his own name on the Report of the Central Committee in addition to the one signed with Sir Zulfiqar Ali Khan?

(*b*) If the answer to part (*a*) be in the affirmative, will the Honourable the Home Member be pleased to state the reasons for not publishing it with the Report?

(*c*) Is the note of dissent a private document of the Government, or is it public property?

(*d*) Are Government prepared to circulate the note of dissent among the Members of the Legislative Assembly?

The Honourable Sir James Crerar: The Honourable Member is referred to the reply which I gave to Mr. B. Das' starred question No. 278 dated the 11th February.

ELECTRIFICATION OF THE GREAT INDIAN PENINSULA RAILWAY.

589. ***Mr. E. F. Sykes:** (*a*) Are Government aware that the figures given in Table 32 of Part II of the "Administration Report of State Railways", and reproduced below, have given rise to an impression that the

electrification of the Great Indian Peninsula Railway has resulted in a considerable loss in place of the gain that was expected to justify the heavy capital expenditure?

		B. B.	G. I. P.
"Earnings *per* passenger mile—Pies	1927-28	N. A.	2·12
	1928-29	2·29	2·13
Cost *per* passenger mile—Pies	1927-28	N. A.	3·48
	1928-29	2·17	3·90"

(*b*) Will Government be pleased to give a brief explanation of these figures, detailing what they include and what inferences may reasonably be drawn from them?

Mr. A. A. L. Parsons: (*a*) I think it possible that such an impression might be formed from the figures mentioned.

(*b*) The "earnings per passenger mile" are arrived at by dividing the "passenger earnings" attributable to the section by "passenger miles". The cost per passenger mile is arrived at by dividing "passenger working expenses" by "passenger miles".

For the purpose of these figures, the total working expenses of the section are apportioned between 'passenger' and 'goods' in the ratio of gross ton miles. The gross ton miles for passenger traffic are arrived at by assuming that one first class passenger is equivalent to 0·10 ton, one second class passenger 0·08 ton, one intermediate or third class passenger 0·06 ton: similar equivalents being adopted for other description of traffic carried by passenger trains. To the figures thus arrived at is added the dead weight of engines and vehicles. This procedure accords with that followed for steam services. It has, however, been recognised that this method of apportionment does not distribute electric energy used equitably, for on steam service the consumption of coal per 1,000 gross ton miles is about 80 to 100 lbs. for goods service, 150 to 200 for passenger service and 250 and over for suburban service with frequent stops. On an electric suburban service, the average speed is higher and the electric energy used will bear a still higher ratio to that used on goods service than for steam worked trains.

No reasonable inference can be drawn from the figures referred to, but when figures become available for the whole area working fully electrified under normal conditions it will be possible to arrive at a reasonable appreciation of the position.

Mr. E. F. Sykes: When does the Honourable Member expect to be able to supply the Assembly with his figures?

Mr. A. A. L. Parsons: I am afraid I cannot put a date to it.

NUMBER OF MEMBERS OF VARIOUS COMMUNITIES EMPLOYED IN THE OFFICES UNDER THE COMMISSIONER, AJMER-MERWARA.

590. ***Maulvi Sayyid Murtuza Saheb Bahadur:** Will Government be pleased to place on the table of the House a statement showing the numbers of (i) the Muslims, (ii) the Hindus, (iii) other non-Muslims, employed as ministerial officers (*a*) on salaries of about Rs. 90, (*b*) on salaries from Rs. 40 to Rs. 90, in the office of the Commissioner, Ajmer-Merwara, and in the offices of the officers under the control of the said Commissioner?

Mr. E. B. Howell: The information required is being collected and will be supplied to the Honourable Member in due course.

EMPLOYMENT OF MUSLIMS IN OFFICES UNDER THE COMMISSIONER, AJMER-MERWARA.

†591. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (*a*) Are Government aware that the number of Muslim clerks getting salaries not below Rs. 40 in the office of the Commissioner, Ajmer-Merwara, and other offices under his control is much below what it should be on the population basis?

(*b*) Is it a fact that there is no Muslim ministerial officer getting Rs. 100, or more in the Commissioner's office, Ajmer-Merwara, and other offices under the said Commissioner's control?

(*c*) Are Government aware that the Muslim ministerial officers, other than those in the vernacular line, employed in the office of the Commissioner, Ajmer-Merwara, and in other offices under his control, have higher qualifications in general education than the non-Muslim ministerial officers other than those in the vernacular line?

(*d*) Is it a fact that Muslim graduates employed as ministerial officers in the office of the Commissioner, Ajmer-Merwara, and other offices under his control are getting salaries below Rs. 100?

(*e*) Is it a fact that none of the non-Muslim ministerial officers in the office of the Commissioner, Ajmer-Merwara, and other offices under his control, drawing salaries not below Rs. 100, is a graduate?

(*f*) Is it a fact that the Superintendent of the Commissioner's office, Ajmer-Merwara, is a gentleman, with educational qualifications below the matriculation, school leaving certificate, or high school examination standard?

(*g*) Is it fact that the Head Clerk of the Commissioner's Office, Ajmer-Merwara, is a Hindu gentleman, with educational qualifications below the matriculation, school leaving certificate, or high school examination standard?

(*h*) Is it a fact that the Reader of the Commissioner, Ajmer-Merwara, is a gentleman with low educational qualifications and has not passed the necessary examination for Readership?

(*i*) Is it a fact that the present Superintendent and Head Clerk of the Commissioner's Office, and the Reader of the Commissioner, Ajmer-Merwara, were appointed to their respective posts during the last three years?

GOVERNMENT EMPLOYEES DISCHARGED IN AJMER-MERWARA.

†592. ***Maulvi Sayyid Murtuza Saheb Bahadur:** Will Government please state the numbers of (*a*) the Muslim, and (*b*) the non-Muslim, officers getting salaries not below Rs. 30 under the Ajmer-Merwara administration who were dismissed, removed or discharged from Government service during the Commissionership of the present Commissioner, Ajmer-Merwara?

†For answer to this question, *see* answer to question No. 590.

TITLES AWARDED TO GOVERNMENT EMPLOYEES IN AJMER-MERWARA.

593. ***Maulvi Sayyid Murtuza Saheb Bahadur:** Will Government please state the numbers of (*a*) Muslims (*b*) non-Muslims, in Ajmer-Merwara, who were awarded titles by Government during the Commissionership of the present Commissioner, Ajmer-Merwara ?

Mr. E. B. Howell: (*a*) Nil.

(*b*) Parsi 1, Christian 1, Hindus 4.

APPOINTMENT OF MUSLIM OFFICERS IN GOVERNMENT DEPARTMENTS IN AJMER-MERWARA.

594. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (*a*) What is the total number of gazetted officers in the Revenue, Excise, Income-tax, Forest, Police, Public Works, Co-operative Societies, and Medical Departments in Ajmer-Merwara?

(*b*) Are Government aware that there is no Muslim gazetted officer in the said departments in Ajmer-Merwara, though the Muslims form about 20 per cent. of the total population of the province?

(*c*) Is it a fact that during the last four years a number of gazetted posts in the said departments in Ajmer-Merwara has been filled in by the appointment of non-Muslims from outside Ajmer-Merwara and by the promotion of non-Muslim non-gazetted officers in Ajmer-Merwara?

(*d*) How many officers, not previously in the service of the Ajmer-Merwara administration as gazetted officers, have been appointed to gazetted appointments in the said departments in Ajmer-Merwara during the last four years?

(*e*) Do not the Government propose to fix an adequate proportion of the gazetted appointments in the said departments of Ajmer-Merwara for the Muslims?

Mr. E. B. Howell: A copy of the reply given to a similar question by Mr. Abdul Latif Sahib Farookhi is laid on the table.

Question.

**Mr. Abdul Latif Sahib Farookhi:* (*a*) What is the total number of gazetted officers in the Revenue, Excise, Income-tax Forest, Police, Public Works, Co-operative Societies, and Medical Departments in Ajmer-Merwara?

(*b*) Are Government aware that there is no Muslim Gazetted Officer in the said departments in Ajmer-Merwara, though the Muslims form about 20 per cent. of the total population of the province?

(*c*) Is it a fact that during the last four years a number of gazetted posts in the said departments in Ajmer-Merwara has been filled in by the appointments of non-Muslims from outside Ajmer-Merwara and by the promotion of non-Muslim non-gazetted officers in Ajmer-Merwara?

(*d*) How many officers, not previously in the service of the Ajmer-Merwara administration as gazetted officers, have been appointed to gazetted appointments in the said departments in Ajmer-Merwara during the last four years?

(*e*) Do Government propose to fix an adequate proportion of the gazetted appointments in the said departments of Ajmer-Merwara for the Muslims? If not, why not?

Answer.

(*a*) The total number of Gazetted officers in the various departments in Ajmer-Merwara is given below :

(1) Revenue	5	
(2) Excise	*Nil.*	(The post of Extra Assistant Commissioner Excise is included in the Revenue cadre).
(3) Income-tax	*Nil.*	(Extra Assistant Commissioner of Excise is also Income-tax Officer).
(4) Forest	1	(Borne on the United Provinces cadre).
(5) Police	5	(3 members of the Indian Police Service and 2 of the Provincial Service; all borne on the United Provinces cadre).
(6) Public Works	5	(2 members of the Indian Service of Engineers and 3 of the Provincial Service; all borne on the United Provinces cadre).
(7) Co-operative Societies	1	(Borne on the Punjab cadre).
(8) Medical	4	(1 member of the Indian Medical Service and 3 appointments for Assistant Surgeons).

(*b*) Yes.

(*c*) Yes. In so far as the Forest, Police, Public Works Departments and Co-operative Societies are concerned, the gazetted posts were filled by deputation of officers from the various cadres on which these appointments are borne, and these officers happened to be non-Muslims. Only the posts in the Revenue and Medical Departments (Assistant Surgeons) are filled locally. During the last four years only one Revenue Gazetted post fell vacant. This was filled by promoting a non-Muslim serving in Ajmer-Merwara. A newly created post of Assistant Surgeon (Additional Civil Surgeon, Ajmer) was filled by a non-Muslim from outside the Province.

(*d*) Seventeen. Of these 15 were obtained on deputation from the United Provinces and Punjab.

(*e*) Owing to the paucity of suitable Muhammadan candidates it is not considered by the local administration desirable to earmark a definite proportion of gazetted appointments for Muslims.

APPOINTMENT OF ASSISTANT SUPERINTENDENT OF EDUCATION, AJMER-MERWARA.

595. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (*a*) Is it a fact that the present Assistant Superintendent of Education, Ajmer-Merwara, is a third divisioner M.A., B.Sc., of an Indian University without any qualifications in educational training?

(*b*) Is it a fact that the said officer was appointed to the post of the Assistant Superintendent of Education, in supersession of the Headmaster of a Government high school at Ajmer?

(*c*) Is it a fact that the Headmaster referred to in part (*b*) possessed a first class training and qualifications, and was senior to the present Assistant Superintendent of Education before his appointment to the said post in grade, actual pay, and length of service?

(*d*) Is it a fact that the work of the Assistant Superintendent of Education, Ajmer-Merwara, is to supervise and administer primary education and a part of secondary education?

(*e*) Is it a fact that the gentleman, who gave evidence on behalf of the Nasirabad Cantonment Board, before the Primary Education Committee of the Government of India, pointed out to the said committee the inadequacy of the qualifications of the present Assistant Superintendent of Education for the proper supervision and administration of primary education?

(*f*) Have Government considered the question of appointing an experienced officer, well-qualified in educational training to the post of the Assistant Superintendent of Education, Ajmer-Merwara? If not, why not?

Sir Frank Noyce: With your permission, Sir, I shall deal with questions Nos. 595—598 together. The information asked for is being collected and will be supplied to the Honourable Member later.

ANGLO-VERNACULAR SCHOOLS IN AJMER-MERWARA.

†596. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (*a*) Is it a fact that the Anglo-vernacular schools in Ajmer-Merwara, aided and recognised by Government, are inspected by, and are under the supervision of, the Assistant Superintendent of Education, Ajmer-Merwara?

(*b*) Is it a fact that the recognition of Anglo-vernacular schools in Ajmer-Merwara by Government and the Government grants-in-aid to Anglo-vernacular schools in Ajmer-Merwara are subject to the condition that the said schools comply with the rules for aided and recognised schools laid down in the Educational Code in force in Ajmer-Merwara?

(*c*) Is it a fact that it is the duty of the Assistant Superintendent of Education, Ajmer-Merwara, to see that the aided and recognised Anglo-vernacular schools in Ajmer-Merwara comply with the rules laid down in the Educational Code?

(*d*) Is it a fact that the lists of holidays (including summer vacation) of aided and recognised Anglo-vernacular schools in Ajmer-Merwara are submitted every year to the Assistant Superintendent of Education, Ajmer-Merwara, for approval?

VIOLATION OF RULES BY THE AGARWAL PATHSHALA, AJMER.

†597. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (*a*) Is it a fact that the Agarwal Pathshala, Ajmer, is an Anglo-vernacular school, aided and recognised by Government and inspected and supervised by the Assistant Superintendent of Education, Ajmer-Merwara?

(*b*) Is it a fact that the said Agarwal Pathshala has not been closed for summer vacations, prescribed for recognised schools by the Educational Code in force in Ajmer-Merwara, since its recognition?

(*c*) Is it a fact that the said Agarwal Pathshala is not being closed (i) on Sundays as regular week-end holidays, (ii) on Darbar Days and the King-Emperor's birthdays, (iii) for Christmas vacations, (iv) on a number of other gazetted holidays, ever since its recognition in contravention of the rules for recognised schools laid down in the Educational Code?

†For answer to this question, *see* answer to question No. 595.

(*d*) Are Government aware that in an article, entitled "Agarwal Pathshala ki Pol", published in the *Rajasthan Sandesh*, Ajmer, dated the 16th June, 1929, attention was drawn to the said Agarwal Pathshala, Ajmer's violation of rules relating to summer vacation?

(*e*) Are Government aware that in an article, entitled "Ajmer Shiksha Vibhag men Pol", published in the *Rajasthan Sandesh*, Ajmer, dated the 21st July, 1929, attention was again drawn to the said Agarwal Pathshala Ajmer's violation of rules relating to summer vacation and gazetted holidays?

(*f*) Is it a fact that after the publication of the article referred to in part (*e*), Mr. Pathik, editor of the *Rajasthan Sandesh* Ajmer, wrote a letter to the Ajmer-Merwara Administration on the subject of the said Agarwal Pathshala's violation of rules relating to summer vacation and holidays? If so, what action did the Ajmer-Merwara Administration take?

(*g*) Is it a fact that the said Agarwal Pathshala, Ajmer, has been violating the rules relating to gazetted holidays even after the publication of the articles referred to in parts (*d*) and (*e*) above and the letter referred to in part (*f*) above?

(*h*) If the reply to part (*g*) is in the affirmative, do Government propose to take any action in the matter, and if so, what? If not, why not?

QUALIFICATIONS OF THE TEACHERS OF THE AGARWAL PATHSHALA.

†598. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (*a*) Has the attention of Government been drawn to remarks on the inadequate qualifications of the teachers of the Agarwal Pathshala, Ajmer, given in an article entitled "Ajmer Shiksha Vibhag men Pol", published in the *Rajasthan Sandesh*, Ajmer, dated the 21st July, 1929?

(*b*) Is it a fact that the headmaster of the Agarwal Pathshala, Ajmer, an Anglo-vernacular school, aided and recognised by Government, has not passed any examination of a recognised university or board of examination?

(*c*) Is it a fact that the headmaster referred to in part (*b*) has no qualifications in English?

(*d*) Is it a fact that most of the teachers on duty in the said Agarwal Pathshala, Ajmer, have not passed any recognised examination of the standard of the matriculation, school leaving certificate, or high school examination?

(*e*) Is it a fact that several teachers of the said Agarwal Pathshala are over 55 years of age?

(*f*) Is it a fact that such teachers of the said Agarwal Pathshala as have passed the examination for some recognised departmental, university, or education board certificates are drawing lower salaries than a number of teachers who have passed no such examination for a recognised certificate of educational qualifications?

(*g*) Is it a fact that there is no teacher on duty in the said Agarwal Pathshala who has passed any of the teachers' examinations laid down in paragraph 150 (*a*) of the Educational Code? If it is not a fact, will Government please state (i) the number of trained teachers and (ii) the number of untrained teachers on duty in the said Pathshala?

†For answer to this question, *see* answer to question No. 595.

(*h*) Is it a fact that about half the pay of the teachers of the said Agarwal Pathshala, Ajmer, is paid from Central revenues? If not, will Government please state what proportion the recurring grant-in-aid from Central revenues received by the said Pathshala bears to the total amount of pay of the teachers of the said Pathshala?

(*i*) Is it a fact that the Educational Code in force in Ajmer-Merwara prescribes that one of the conditions necessary for the recognition of an Anglo-vernacular school is that it must give satisfaction in regard to the qualifications and pay of its teaching staff? If so, will Government please state the name and designation of the officer of the Ajmer-Merwara Education Department on whose report of the fitness of the Agarwal Pathshala, Ajmer, for recognition, the said Pathshala was placed on the list of recognised Anglo-vernacular schools?

(*j*) If what are stated in parts (*a*) to (*i*) above are facts, do Government propose to take any action in the matter, and if so, what?

APPOINTMENT OF SECRETARY OF THE BOARD OF HIGH SCHOOL AND INTERMEDIATE EDUCATION OF AJMER-MERWARA.

599. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (*a*) Is it a fact that the Secretary of the Board of High School and Intermediate Education of Ajmer-Merwara, Rajputana, Central India, and Gwalior, is an officer who retired on superannuation from the United Provinces Provincial Educational Service? If it is not a fact, will Government please state the present age of the said Secretary?

(*b*) Is it a fact that the money for the pay of the Secretary referred to in part (*a*) is paid from the Central revenues?

(*c*) If what are stated in parts (*a*) and (*b*) are facts, will Government please state whether it is permissible for the said Secretary to draw a pension from the revenues of a Provincial Government and at the same time to draw pay from Central revenues?

(*d*) Will Government please put on the table of the House a statement showing the names, qualifications, and previous experience of all the candidates for the post of the said Secretary before appointment to it was made?

(*e*) Is it a fact that applications for the post of the said Secretary were not called for by advertisement in newspapers? If not, why not?

(*f*) Is it a fact that none of the Provincial Governments were requested to depute a suitable man for the post of the said Secretary? If not, why not?

(*g*) Is it a fact that the Department of Education, Health and Lands of the Government of India was not requested to depute a suitable man for the post of the said Secretary? If not, why not?

(*h*) Do Government propose to retain the services of the present Secretary of the said Board temporarily or permanently? If temporarily, how long? If permanently, why?

Mr. E. B. Howell: The information required is being collected and will be supplied to the Honourable Member in due course.

RECRUITMENT OF ASSISTANT STATION MASTERS ON THE NORTH WESTERN RAILWAY.

600. ***Mr. Mukhtar Singh:** (*a*) Is it a fact that, of 70 per cent. recruited in the Delhi Division of the North Western Railway during the year 1925-28 as temporary Assistant Station Masters, one has been confirmed, 31 men discharged and 30 are still temporary?

(*b*) Is it a fact that a number of persons were recruited in the commercial group of the Delhi Division of the North Western Railway, and that not one has yet been confirmed?

(*c*) Is it a fact that all these persons had received training and seen service in other Railways and that they were employed by the North Western Railway only after they had produced merit certificates and testimonials?

(*d*) Is it a fact that all these persons were also required to pass an examination before they were posted to their respective duties and have been in independent charge ever since?

(*e*) Is it a fact that all the persons referred to in part (*a*) have been interested with, and discharging such responsible duties as train passing, etc.?

(*f*) Is it a fact that these temporary hands were required, in April, 1929, to pass a test regarding their suitability for confirmation, and that those who passed this test were retained, and that those who failed were discharged? If the reply is in the affirmative, will the Government state why those who passed this test have not been confirmed as yet?

Mr. A. A. L. Parsons: Information has been called for and I will communicate with the Honourable Member when it is received.

TRAINING AND APPOINTMENT OF TEMPORARY STAFF ON THE NORTH WESTERN RAILWAY.

601. ***Mr. Mukhtar Singh:** (*a*) Is it a fact that it is intended to send suitable temporary staff to the North Western Railway training school with a view to confirming them in their appointments after undergoing a course of training and passing the examination there?

(*b*) If a course of training and examination is a *sine qua non* of the confirmation, will Government reply as to why the training and examination were not thought essential when these men were put in independent charge of their respective duties, and further to state whether, and if so, why, training is considered to be necessary in the case of those who have been working satisfactorily for a number of years?

(*c*) If this training and examination is deemed essential, will Government be pleased to state why no steps have yet been taken to send them to the training school?

(*d*) Is it a fact that entirely new hands have been recruited for corresponding permanent jobs?

Mr. A. A. L. Parsons: With your permission, Sir, I shall answer this and the question following, together. I have called for a report from the Agent, North Western Railway, and will communicate with the Honourable Member when it is received.

TRAINING AND APPOINTMENT OF TEMPORARY STAFF ON THE NORTH WESTERN RAILWAY.

†602. ***Mr. Mukhtar Singh:** (*a*) Is it a fact that hundreds of vacancies have been recently advertised and applications have been invited for admission into the Walton Training School, North Western Railway, for training in the commercial group?

(*b*) Will Government be pleased to state why the claims of the temporary staff who have already acquired long experience and passed tests in the North Western Railway for their confirmation have been given the go by in preference to those of complete strangers?

(*c*) Are Government prepared to see their way to confirm the temporary staff in their respective posts?

PROVISION OF LATRINES IN SERVANTS' COMPARTMENTS ON RAILWAYS.

603. ***Mr. Mukhtar Singh:** (*a*) Are Government aware that, for want of latrines in the servants' compartments in the railway carriages in India on most of the mail as well as passenger trains, persons travelling therein are put to very great inconvenience, especially on long journeys?

(*b*) If the reply to part (*a*) be in the affirmative, have Government considered the question of providing latrines in all the servants' compartments of railway carriages in India? If not, why not?

Mr. A. A. L. Parsons: (*a*) Government are aware that until recently it has not been the practice for railways to fit latrines in servants' compartments of railway carriages and it is probable that inconvenience has occasionally been caused to persons travelling in servants' compartments on this account.

(*b*) The Honourable Member is referred to the reply given on the 20th January, 1930, to question No. 53 by Khan Bahadur Sarfaraz Hussain Khan.

RECRUITMENT TO THE STATE RAILWAY SIGNAL ENGINEERING SERVICE.

604. ***Lieut.-Colonel H. A. J. Gidney:** (*a*) Will Government be pleased to state the difference between the terms "on probation", "short covenant" and "probationer" as applied to officials recruited into the State Railway Signal Engineering Service?

(*b*) Is it a fact that there is no fixed initial salary for the recruitment of officials into this Department from England? Is it a fact that all the officers recruited from England to the Signal Engineering Service of State Railways have been started on a higher initial salary than those recruited in India?

(*c*) Is it a fact that, before promotion to the senior scale of the service, one has to reach the maximum of the junior scale?

(*d*) Is it a fact that the six junior scale covenanted officials in this service, though recruited after the enlistment of and junior to the three Indian recruited men, are in receipt of salaries which give them a seniority and advantage of from six to eight years' service?

†For answer to this question, *see* answer to question No. 601.

(*e*) Is it a fact that, after another ten years, all these six officials will have reached the maximum of the junior scale, and that the three locally recruited will have to wait for more than 16 years to accomplish this?

(*f*) Is it a fact that all three of the locally recruited men are senior to most of the six covenanted men in service?

Mr. A. A. L. Parsons: (*a*) A person "on probation" is one who has been appointed to a working post in the cadre but whose confirmation depends on his proving that he is fully qualified to discharge the duties of the post.

The expression "short term covenant" refers to persons appointed on an agreement for a specified limited period of time.

The term "probationer" applies to an officer who, after appointment, is required to undergo further prescribed training before confirmation.

(*b*) The answer to the first part is that there is a fixed incremental scale of pay for Signal Engineers but Government reserve the right to appoint officers whether recruited in England or in India, having regard to their age and qualifications, on initial rates of pay higher than the minimum of the prescribed scale. The answer to the second part of the question is in the negative.

(*c*) No.

(*d*), (*e*) and (*f*). If the Honourable Member will send me a list of the names of the 6 covenanted officials and the 3 locally recruited officials he refers to, I shall be glad to give him an answer to his question.

PAY OF COVENANTED AND LOCALLY RECRUITED OFFICERS OF THE RAILWAY SIGNALS DEPARTMENT.

605. ***Lieut.-Colonel H. A. J. Gidney:** (*a*) With reference to the answer given by Mr. P. R. Rau to part (*c*) of my starred question No. 848, dated the 24th September, 1929, regarding the pay of officers of the Railway Signals Department, will Government be pleased to state—

(i) the special qualifications in signal engineering the six covenanted men referred to in part (*f*) of my preceding question possess and which entitled them to higher initial salary; and

(ii) their respective ages and that of the three locally recruited probationers?

(*b*) Will Government be pleased to state in what way they propose to regulate the promotion to the senior scale without affecting the senior position which the three locally recruited men hold in the cadre?

(*c*) Is it a fact that among the locally recruited men, in the case of Europeans, a European Assistant Engineer reaches the maximum grade in 15 years, whereas an Indian Assistant Engineer has to put in 16 years' service, and that he thereby loses one year in his promotion to the senior scale?

(*d*) What steps do Government propose to take in order to remedy this state of affairs?

Mr. A. A. L. Parsons: (*a*) and (*b*). If the Honourable Member will send me a list of the names of the 6 covenanted officials and the 3 locally recruited officials he refers to, I will send him an answer to his questions.

(*c*) No.

(*d*) Does not arise.

Lieut.-Colonel H. A. J. Gidney: Arising out of the reply given by the Honourable Member, will he kindly state whether covenanted Assistant Signal Engineers, by virtue of their initial higher salary and not superior qualification and work reach the top of the junior scale six or seven years before locally recruited men who are senior in service in the cadre? If this is so, is it right and just that this condition should be allowed to exist in a cadred service to the detriment of locally recruited and better qualified men?

Mr. A. A. L. Parsons: I will make inquiries on the point.

THE CO-OPERATIVE STORES AT CAWNPORE.

606. ***Lieut.-Colonel H. A. J. Gidney:** (*a*) Will Government be pleased to state whether it is a fact that the Managing Board of the Co-operative Stores at Cawnpore has been asked by the East Indian Railway Agent to vacate their rooms?

(*b*) If so, will Government be pleased to state the reason for this request?

(*c*) Is it a fact that the Railway Administration has received a petition from many employees asking that the Stores be retained?

(*d*) Was any action taken on the petition, and if so, what action?

(*e*) Are Government aware that these Stores are of the greatest benefit to the Railway employees and that they are practically the property of the employees? If so, have Government considered the question of requesting the Agent to reconsider his decision and to lease the two rooms which have been held ever since 1893?

Mr. A. A. L. Parsons: (*a*) and (*c*). The reply is in the affirmative.

(*b*) Owing to numerous complaints received by the Divisional Superintendent.

(*d*) and (*e*). The matter is under inquiry, but it may be mentioned that in these Co-operative Stores railway employees own 690 shares, ex-employees 801 and outsiders 509.

THUMB IMPRESSIONS ON PASSPORTS IN INDO-CHINA.

607. ***Mr. Gaya Prasad Singh:** (*a*) Is it a fact that, in French Indo-China, every Indian who went there was required to put his thumb impression on his passport, however, educated, but that the Japanese had been exempted? If so, why?

(*b*) Do Government propose to inquire into the matter?

Mr. E. B. Howell: (*a*) The previous practice was as stated by the Honourable Member, but as a result of representations made by His Majesty's Government, regulations on the subject, have since been revised by a decree of the French Government dated the 30th June, 1929. Under the present regulations all that is required of temporary immigrants into Indo-China is that they should be in possession of passports visé by French diplomatic or Consular authorities. Immigrants who propose to reside in Indo-China for more than three months are liable to have their finger impressions taken, but only in cases where their identity papers are considered to be insufficient. These regulations apply to all alien immigrants into Indo-China without distinction.

(*b*) Does not arise.

ABOLITION OF THE SEPARATE ADMINISTRATION OF THE RAILWAY MAIL SERVICE.

608. ***Mr. Anwar-ul-Azim:** (*a*) Are Government aware that the abolition of the Railway Mail Service as a separate administration, as a result of the Ryan Committee's Report, wherein it was stated that there would be a saving of Rs. 31,000, is costing the State approximately Rs. 1,000 per mensem extra on account of clerks of the Railway Mail Service going on higher scale of pay, inadequate accommodation for the offices in the Punjab, United Provinces and Madras circles, where houses have been rented for D. L. O. and Superintendent's offices?

(*b*) Is it a fact that the clerks of the Railway Mail Service sent to circle offices draw a bonus of Rs. 100 each?

(*c*) What was the cost in connection with the abolition of the Railway Mail Service relating to the home travelling allowance and conveyance of records and furniture?

The Honourable Sir Bhupendra Nath Mitra: (*a*) The amount of the extra expenditure if any which is being incurred on the two items mentioned by the Honourable Member is being ascertained and the result will be communicated to him in due course. As regards the Honourable Members reference to the Post and Telegraph Committee's Report, his attention is invited to the reply given to part (*a*) of Mr. Muhammed Ismail Khan's starred question No. 1162 on the 20th March, 1929.

(*b*) Yes.

(*c*) By home travelling allowances the Honourable Member presumably refers to the cost incurred in returning officials to their home stations. The actual expenditure on this account and on account of the conveyance of records and furniture is being ascertained and the result will be communicated to the Honourable Member.

SUPERSESSION BY RAI BAHADUR PARESH NATH MUKERJEE OF HIS SENIOR OFFICERS.

609. ***Mr. Anwar-ul-Azim:** (*a*) Is it a fact that Rai Bahadur Paresh Nath Mukerjee superseded not less than ten officers, of whom four are now permanent Assistant Directors General?

(*b*) Is it a fact that Rai Bahadur Paresh Nath Mukerjee was given the salary of Rs. 1,200 per mensem, instead of Rs. 1,000, on his confirmation as Assistant Director General?

(*c*) What were the special circumstances in which Rai Bahadur Paresh Nath Mukerjee was allowed to supersede ten of his seniors as well as to give him an extra pay of Rs. 200 per mensem?

The Honourable Sir Bhupendra Nath Mitra: (*a*) Yes.

(*b*) No. On his appointment as an Assistant Director General his pay was fixed at Rs. 1,160 per mensem.

(*c*) Promotion to the grade of Assistant Director General is made by selection and on the advice of the Public Service Commission. Rai Bahadur Paresh Nath Mukerjee was appointed an Assistant Director General in accordance with the order of preference recommended by the Public Service Commission. His pay was fixed at Rs. 1,160 in accordance with the Fundamental Rules.

Mr. Anwar-ul-Azim: Will the Honourable Member kindly inform the House whether the Director General himself or the Member in charge of the Department has not got a great say in the matter of a selection of this kind.

The Honourable Sir Bhupendra Nath Mitra: The answer is in the negative. All that the Director General does is to send on the confidential reports of the various officers affected in order of seniority.

REMOVAL AND RE-EMPLOYMENT OF MR. KULO PRASAD SEN, A PROBATIONARY SUPERINTENDENT OF POST OFFICES.

610. ***Mr. Anwar-ul-Azim:** Will Government be pleased to state why Mr. Kulo Prasad Sen, Probationary Superintendent of Post Offices, was removed from the Department on the 31st December, 1927, and re-employed again on the 20th April, 1928?

Mr. H. A. Sams: Mr. Kulo Prasad Sen was removed from his appointment of Probationary Superintendent of Post Offices because he failed twice to pass the departmental examination for the appointment of Superintendents. He represented that his failure was due mainly to the fact that he could not properly prepare for his examination owing to his ill-health. As this was found to be correct I decided to take him back and give him another chance.

HINDUS APPOINTED AS PROBATIONARY SUPERINTENDENTS OF POST OFFICES.

611. ***Mr. Anwar-ul-Azim:** (*a*) Will Government be pleased to state how many Hindus were appointed as Probationary Superintendents of Post Offices from January, 1925?

(*b*) And what are the special circumstances in which four Hindu Probationary Superintendents were attached to Bengal?

Mr. H. A. Sams: (*a*) Sixteen.

(*b*) At present there are three Probationary Superintendents in the Bengal and Assam Circle all of whom happen to be Hindus. They have not been posted there on account of any special circumstances, but as a matter of convenience.

Mr. Anwar-ul-Azim: Will the Honourable Member kindly tell me what is his notion of convenience?

Mr. H. A. Sams: That is a hypothetical question, Sir.

Mr. President: There is nothing hypothetical in the question: "What is the Honourable Member's notion of convenience?"

Mr. H. A. Sams: A matter of opinion, Sir.

ADMISSION OF CERTAIN CLERKS TO EXAMINATION FOR APPOINTMENTS OF SUPERINTENDENTS OF POST OFFICES.

612. ***Mr. Anwar-ul-Azim:** Will Government be pleased to state why six clerks of the Office of the Director General of Posts and Telegraphs of whom five are Hindus, have been allowed to appear at the Superintendents' departmental examination? If so, why?

Mr. H. A. Sams: It is presumed that the Honourable Member refers to the nomination which was made for the Superintendents' Examination held in 1925. In that year six clerks of the office of the Director General, Posts and Telegraphs (5 Hindus and 1 Muhammadan), were allowed to appear at the Superintendents' Examination as they offered themselves for the Examination and were considered suitable candidates.

PROMOTION OF CERTAIN POSTAL OFFICIALS IN MADRAS.

613. ***Mr. Anwar-ul-Azim:** (*a*) Will Government be pleased to state if it is a fact that Mr. Nigel-Jones has been appointed as an officiating Postmaster General at Madras, in supersession of senior postal officers?

(*b*) Will Government be pleased to state what postal training, if any, Messrs. Jones and Power had before they were made to hold charge of postal circles?

(*c*) Is it a fact that Government propose to appoint Mr. Wrenick as Postmaster General, Madras?

(*d*) If so, will Government please state what postal training Mr. Wrenick has had in order to justify his appointment as Postmaster General, Madras?

The Honourable Sir Bhupendra Nath Mitra: (*a*) The question of filling up permanently the vacancy caused by the death of Mr. Malan, Postmaster General, Madras, is under consideration. In the meantime, Mr. Nigel-Jones has been appointed to act as a temporary arrangement.

(*b*) None.

(*c*) I would refer to my reply to part (*a*) of the question. I should, however, like to inform the Honourable Member that under the scheme of unification of control in Postal and Telegraph Engineering Circles the permanent vacancy will in all probability go to an officer of the Superior Telegraph Engineering Service. Postal training is not the only qualification required for a Postmaster General.

(*d*) Does not arise.

Mr. Anwar-ul-Azim: Will the Honourable Member kindly inform the House whether we have got a man in charge of a big Telegraph Department who is taken from the Postal side?

The Honourable Sir Bhupendra Nath Mitra: I did not quite catch the Honourable Member's question, but if he is referring to other Circles in India, I can tell him that the Postmaster General of Burma is a member of the Superior Telegraph Engineering Service. The Postmaster General of Bombay, until recently, was for two years a member of the Superior Telegraph Engineering Service. The present Postmaster General of Bihar and Orissa is a member of the Superior Telegraph Engineering Service and the Director of Posts and Telegraphs, Sind and Baluchistan, is

invariably an officer of the Superior Telegraph Engineering Service. On the other hand, the Telegraph work in four Circles is administered by an officer of the Superior Postal Service.

Pandit Nilakantha Das: Is it not, Sir, a waste of our time to ask questions about the appointment of individuals, petty clerks, *chaprasis* and others? These are petty matters and should be done by the Department concerned.

Mr. President: I am trying my best to dissuade Members from putting such questions, but I know the resentment caused to some Members by my action.

Mr. Gaya Prasad Singh: And, Sir, this is a game at which two can play. We can also put such questions.

SCALE OF PAY IN THE INDIAN STORES DEPARTMENT.

614. ***Mr. G. Sarvotham Rao:** 1. Will Government be pleased to state the scale of pay prevailing in the office of the Director of Contracts, Army Headquarters, and that prevailing in the Indian Stores Department?

2. Will Government be pleased to state:

(*a*) Whether it has received any representation from the staff of the Indian Stores Department and from the Attached Offices Association urging that the scale of pay in the office of the Indian Stores Department be raised to the standard prevailing in the office of the Director of Contracts?

(*b*) Is it a fact that the representation referred to in (*a*) was turned down on the ground that the question of the location of the Indian Stores Department had not been finally settled and further that the introduction of the rupee tender system and the new Stores Rules from 1931 stand in the way of an early decision on the question of permanent location of the Department?

3. Are Government aware that considerable dissatisfaction has been caused by indecision in this respect and that a large number of employees has already left the Department to better their prospects elsewhere, thereby causing loss of efficiency in the Stores Department?

4. If so, do Government propose to introduce a uniform rate of pay for the two offices with a view to remove dissatisfaction?

5. Are Government aware that, while in the office of the Director of Contracts, a branch of six men is controlled by a Superintendent, no less than twenty men are under the charge of a Superintendent of a branch in the Indian Stores Department? If so, do Government propose to create additional Superintendentships?

6. Is it a fact that:

(*a*) the source and standard of recruitment in the two Departments are identical?

(*b*) the maximum pay of the stenographers' grade is more than the minimum pay of the Superintendents in the Indian Stores Department?

If so, will Government please state when they propose to remove this unjust distinction?

The Honourable Sir Bhupendra Nath Mitra: 1. I presume that the Honourable Member desires to have information of the scales of pay sanctioned for the clerical establishment only of the offices of the Director of Contracts, Army Headquarters, and the Chief Controller of Stores, Indian Stores Department. The following are the scales:

Director of Contracts.	Rs.	*Chief Controller of Stores.*	Rs.
Personal Assistant	750—50—880	Chief Superintendent	800—40—800
Superintendents	500—40—700	Superintendents	350—25—600
Assistants— (Upper time scale)	350—20—450	Assistants	120—8—160—10—350
Assistants— (Lower time scale)	200—12—440		
Clerks (2nd Division)	90—8—250	Clerks	75—4—155—160—5—175
Clerks (Routine)	90—4—166		
Stenographers	..	Stenographers	150—10—300—12½—400

2. (*a*) and (*b*). Yes.

3. It has recently been represented to the Government of India that there is a feeling of dissatisfaction on the part of the clerical staff of the office of the Chief Controller of Stores with their existing position in this respect. It is also the case that several members of that staff have left the Indian Stores Department to join appointments in other departments. Their departure has caused certain amount of inconvenience, but there is no noticeable falling off in the general efficiency of the Department.

4. The matter is under consideration.

5. The Government of India are aware that the branches of the office of the Chief Controller of Stores consist of a larger number of clerks than those in the office of the Director of Contracts, but they are not prepared to admit that as a result the Superintendents in the former office have an unduly heavy burden of work and they do not propose to create any additional appointments of Superintendent therein at present.

6. (*a*) The recruitment for the clerical staff of the office of the Chief Controller of Stores is ordinarily made through the Public Service Commission while the recruitment for the office of the Director of Contracts is made direct by the authorities of the Army Headquarters.

(*b*) Yes; but the Government is not prepared to admit that this distinction is necessarily unjust.

PURCHASES MADE BY THE DIRECTOR OF CONTRACTS.

615. ***Mr. G. Sarvotham Rao:** (*a*) Are Government aware that the Director of Contracts does not utilise the services of the Indian Stores Department for the purpose of purchases in the case of many articles?

(*b*) Are Government aware that the Director of Contracts does not publish the accepted tenders in the form in which comparison of prices is possible, as is done by the Indian Stores Department? If so, do Government propose to direct that the Director of Contracts may follow this healthy practice?

Mr. G. M. Young: (*a*) The assistance of the Indian Stores Department is utilised by the Director of Contracts whenever it is economical for him to do so.

The possibility of entrusting the purchase of further classes of military stores to the Indian Stores Department is under investigation.

(*b*) I am not aware of the fact; but I am making enquiries, and will inform the Honourable Member of the result.

APPOINTMENTS OF ASSISTANT CHIEF CONTROLLER OF STORES AND CHIEF SUPERINTENDENT, INDIAN STORES DEPARTMENT.

616. ***Mr. G. Sarvotham Rao:** 1. Is it a fact that the present Assistant Chief Controller of Stores, Indian Stores Department is due to retire from service in May, 1930? If so, will the Government be pleased to state whether his successor will be appointed from the ranks of the Stores Department or any outsider will be recruited for the post?

2. Is it a fact that the present Chief Superintendent, Rai Sahib Kirpa Ram, is being considered for the post?

3. Is it a fact that officiating promotions to the Assistants Grade are made in accordance with the recommendations of the Chief Superintendent?

4. Is it a fact that the Chief Superintendent and one Superintendent are doing the same class of work under the Assistant Chief Controller of Stores? If so, are Government prepared to examine the question whether there is real justification for a Chief Superintendent's post in addition to Superintendent's post?

The Honourable Sir Bhupendra Nath Mitra: 1. and 2. Yes, the present Assistant Chief Controller of Stores is due to retire from the service in May, 1930. All the relevant considerations will be borne in mind when the recommendations of the Chief Controller of Stores for filling the vacancy are received.

3. As the ministerial head of the office, it is the duty of the Chief Superintendent to submit recommendations for officiating promotions within the clerical establishment, to the Chief Controller of Stores, with whom the decision rests.

4. The answer to the first part is in the negative. The second part does not arise.

Mr. B. Das: Will the Honourable Member kindly consider the desirability of appointing an Indian as Chief Controller of Stores when the vacancy occurs?

Mr. Gaya Prasad Singh: Preferably a Muhammadan?

Nawab Sir Sahibzada Abdul Qaiyum: Probably a Hindu?

Mr. B. Das: I don't mind if he is a Muhammadan.

The Honourable Sir Bhupendra Nath Mitra: When the vacancy arises, the Member in charge will have to pay due consideration to the claims of all senior officers who at that moment are available for appointment to that particular post.

DELEGATES NOMINATED FOR THE 14TH INTERNATIONAL LABOUR CONFERENCE.

617. ***Mr. Sarabhai Nemchand Haji:** (*a*) Will Government please state the names and dates of the newspapers in which the communiqué inviting nominations to the 14th International Labour Conference was published?

(*b*) Was 10th January, appointed as the last date by which all suggestions regarding the nomination of delegates and their advisers should reach Government?

(*c*) If so, will Government please give a complete list of employers' organisations that have nominated their delegates and advisers, as also the names of such delegates and advisers?

The Honourable Sir Bhupendra Nath Mitra: (*a*) The Government of India have kept no record of the names and the dates of issue of the newspapers in which the Press communiqué was published, but copies of the communiqué were furnished to News Agencies and to the accredited representatives of those newspapers which keep representatives at the Headquarters of the Government of India.

(*b*) Yes.

(*c*) I shall forward to the Honourable Member a list of the Associations from whom suggestions relating to the composition of the employers' wing to the Indian delegation to the 14th Session of the International Labour Conference were received up to the 10th January, 1930.

Mr. Sarabhai Nemchand Haji: With reference to the reply that no record of the names and the dates of issue of the newspapers is kept by the Government of India, have they been informed by their delegate that the Credentials Committee insist upon knowing the nature of the publicity given to the Government communiqué on this matter?

The Honourable Sir Bhupendra Nath Mitra: Yes, Sir. I have already answered that part of the question. For that purpose it is not necessary that a record should be kept of the newspapers in which that information has been published.

Mr. Sarabhai Nemchand Haji: How could it avail either the Government delegate or the party that protests to say that the Government of India have no records of these journals and the dates on which the communiqué was published in those journals? What I want to know is this: Does the Government delegate, who makes various statements with regard to the organisations in this country, also keep them informed about vital matters to which the Credentials Committee attaches great weight?

The Honourable Sir Bhupendra Nath Mitra: Sir, I should like to have notice of that question. The Honourable Member is now travelling outside the specific points raised in his original question.

Mr. R. K. Shanmukham Chetty: Did the Government of India send their communiqué directly to the organisations of employers and workers in India?

The Honourable Sir Bhupendra Nath Mitra: No, Sir.

Mr. Sarabhai Nemchand Haji: With reference to the reply that was purported to be given, the question I asked was whether the Government have these names or not and it is no good saying that I am going outside the scope of the question, because, as I have requested, Sir, the information should be supplied on this point whether this record is kept or not, and if it is not kept, is it not in violation of one of the important requirements of the Credentials Committee about which I suggest their delegate should have informed them?

The Honourable Sir Bhupendra Nath Mitra: I should like to point out to my Honourable friend that the second part of the question which he now asks does not find a place in his original question. If it had been there, I should certainly have given an answer to that part of the question also. If the Honourable Member will now put down that question on paper, I shall certainly give him the appropriate answer.

SELECTION OF DELEGATES FOR THE 14TH SESSION OF THE INTERNATIONAL LABOUR CONFERENCE.

618. ***Mr. Sarabhai Nemchand Haji:** (*a*) Is it a fact that, in the communiqué issued by the Government of India on the 15th of October, 1929, in connection with the 14th Session of the International Labour Conference the following occurs:

"In selecting the Employers' Delegate, the Workers' Delegate and their Advisers irrespective of the number the Government of India would attach due weight to recommendations made by organised representative associations of Employers and Workers."

(*b*) If so, will Government please state the source from which they derive this alleged power "to attach due weight to recommendations made by organised representative associations"?

(*c*) Are Government aware that clause (3) of Article 389, of the Treaty of Versailles imposes a definite obligation on Government members to "nominate non-Government delegates and advisers, chosen in agreement with the industrial organisations, which are most representative of employers or work people"?

The Honourable Sir Bhupendra Nath Mitra: (*a*) The Honourable Member's quotation from the Press communiqué of the 15th October, 1929, is substantially correct.

(*b*) and (*c*). The Honourable Member is apparently not aware of the authoritative pronouncement made on the 31st July, 1922, by the Permanent Court of International Justice concerning the interpretation of Article 389 of the Treaty of Versailles. The following passage from the written decision of the Court supplies the answer to the Honourable Member's question:

"In accordance with the terms of the first paragraph of Article 389, the Workers' Delegate represents all workers belonging to a particular Member. The only object of the intervention of industrial organisations, in connection with the selection of Delegates and technical advisers, is to ensure, as far as possible, that the Governments should nominate persons whose opinions are in harmony with the opinions of employers and workers, respectively. If, therefore, in a particular country there exist several industrial organisations representing the working classes, the Government must take all of them into consideration, when it is proceeding to the nomination of the Workers' Delegate and his technical advisers. Only by acting in this way can the Government succeed in choosing persons who, having regard to the particular circumstances, will be able to represent at the Conference the views of the working classes concerned."

Mr. B. Das: When the aliens occupy industrial positions in a country, can the aliens be treated as nationals without being naturalised in that country?

The Honourable Sir Bhupendra Nath Mitra: I submit that that does not arise out of this question. I should also like to point out to my Honourable friend that his question involves a discussion of the interpretation of the word "alien" which I have already discussed at other places and which I should not like to discuss further here.

Munshi Iswar Saran: If a question is put, is it for the Chair to decide whether a particular supplementary question arises out of it or not, or is it for the Honourable Member, speaking on behalf of Government, to give a ruling as to whether a particular supplementary question does or does not arise?

The Honourable Sir Bhupendra Nath Mitra: I simply made a submission.

Mr. President: The Honourable Member is entitled to submit for the decision of the Chair the question whether a supplementary question does or does not arise.

Munshi Iswar Saran: Am I right then in assuming that the function of the Honourable Member ceases when he has made his submission to the Chair and that he himself cannot pronounce a verdict?

SELECTION OF DELEGATES FOR THE 14TH SESSION OF THE INTERNATIONAL LABOUR CONFERENCE.

619. ***Mr. Sarabhai Nemchand Haji:** (*a*) Are Government aware that the 6th Report of the Credentials Committee of the International Labour Conference held in October, 1929, while reporting on the objections lodged by the British National Union of Seamen against the appointment of the Workers' Delegate, the Credentials Committee opined "that the British Government has respected paragraph (3) of Article 389 of the Treaty of Versailles since it has fulfilled the obligation imposed upon it by the Treaty to apply to the most representative organisations"?

(*b*) Is it a fact that the Member-Governments have no discretion to attach due weight to the recommendations made by organised representative associations, but must, under the Treaty, apply to the most representative associations? Do Government propose to withdraw their Press communiqué of the 15th October, 1929, and issue another?

The Honourable Sir Bhupendra Nath Mitra: (*a*) Yes.

(*b*) The Honourable Member's attention is invited to the reply I have just given to parts (*b*) and (*c*) of the preceding question. The Government of India see no reason for withdrawing the Press communiqué.

DISCUSSION OF THE ANNUAL REPORT OF THE PUBLIC ACCOUNTS COMMITTEE.

620. ***Mr. B. Das:** (*a*) Will Government be pleased to state if they will allot a day for discussion of the Public Accounts Committee's Report of 1927-28? If so, when?

(*b*) Have Government decided on the procedure which they wish the House to follow in the discussion of the Annual Report of the Public Accounts Committee?

The Honourable Sir George Schuster: (*a*) As announced by the Honourable the Leader of the House in his last statement about legislative business, it is intended to allot time for discussion of the Report of the Public Accounts Committee before the end of this Session. In view, however, of the uncertainty of the time which the Bills now before the House will take, it is not at present possible to make a more precise statement on this matter.

(*b*) I invited leaders of the various unofficial parties in the House to consult with me on Saturday last as to the procedure to be adopted for discussion of the Report this year. Representatives of two parties only attended this meeting, so that it has not yet been possible for me to obtain fully representative views of unofficial Members. It is the desire of Government to meet the views of certain Members in this matter and I shall be pleased to consider any further representations that may be made.

Mr. B. Das: May I inquire from the Honourable Member whether it is the intention of Government to issue their decisions on the recommendations of the Public Accounts Committee before a discussion can take place in this House?

The Honourable Sir George Schuster: I am afraid I do not quite understand what the Honourable Member means by Government's decisions on the recommendations of the Public Accounts Committee.

Mr. B. Das: I mean the Resolution of the Government of India which is published every year after the Public Accounts Committee submits its Report to Government.

The Honourable Sir George Schuster: If the Honourable Member means the usual Resolution of Government, I do not think it will be possible to publish that before the discussion on the floor of this House.

RETURN TO INDIA OF SARDAR AJIT SINGH.

621. ***Mr. B. Das:** (*a*) Will Government be pleased to state whether they know anything about the whereabouts of Sardar Ajit Singh, who was deported to Mandalay with the late Lala Lajpat Rai in 1907?

(*b*) Have the Government of India placed any restrictions on the return of Sardar Ajit Singh to India?

(*c*) Is it a fact that the Punjab Government, in reply to question No. 172 by Dr. Dhan Raj, M.L.C., in the Punjab Council on the 3rd March, 1924, stated that they had no intention to restrict the return of Sardar Ajit Singh to India nor to renew prosecution warrants against Sardar Ajit Singh?

(*d*) Will Government be pleased to state if their intentions are the same as those of the Punjab Government?

(*e*) Are Government prepared to grant facilities of safe return to India to Sardar Ajit Singh?

The Honourable Sir James Crerar: (*a*) His present whereabouts are not known to Government.

(*b*) No.

(*c*) The Punjab Government stated that there were no restrictions on his return and that they did not intend to renew the warrants against him.

(*d*) The Government of India see no reason to differ.

(*e*) Government will consider any application for facilities to return to India that may be received from Sardar Ajit Singh.

ENROLMENT OF THE BURMA STATE RAILWAYS AND RANGOON PORT TRUST AS MEMBERS OF THE BURMA CHAMBER OF COMMERCE.

622. ***Mr. Sarabhai Nemchand Haji:** (*a*) Is it a fact that the Burma State Railways and the Rangoon Port Trust are members of the Burma Chamber of Commerce?

(*b*) Have Government laid down any principles which guide the conduct of official organisations like State Railways and Port Trusts in the matter of membership of commercial associations? If so, will they please lay them on the table of the House?

Mr. A. A. L. Parsons: (*a*) Yes.

(*b*) As regards State Railways, I would refer the Honourable Member to the reply given to question No. 421 asked by Mr. Vidya Sagar Pandya in this House on the 6th February, 1929, and as regards Port Trusts I would remind the Honourable Member that they are not official organisations but statutory bodies created by Acts of the Legislature. The Government of India have not laid down any principles for the guidance of Port Trusts in the matter of membership of Commercial Associations.

Mr. Vidya Sagar Pandya: Are these State Railways and Port Trusts members of the Indian or non-European Chambers in Burma?

Mr. A. A. L. Parsons: I shall require notice of that question.

SCRUTINY OF LEDGERS OF THE LILLOOAH STORES DEPOT.

623. ***Lieut.-Colonel H. A. J. Gidney:** (*a*) With reference to the Director of Finance, Railway Board's letter No. 6004-F., dated the 15th November, 1929, will Government be pleased to state whether the information regarding the reconciliation of balances of stocks verified in the Lillooah Stores Depot, was obtained by actual scrutiny of the original ledger books, *i.e.*, the numerical ledgers for 1923-24 and 1924-25 at Lillooah Depot and of the priced ledgers in the Stores Accounts Office for the same periods?

(*b*) If so, on what dates were such scrutiny made, the name and designation of the officer who made them and whether these ledgers are available?

(*c*) Will Government be pleased to state what items disclosed indicated losses or gains of Rs. 5,000 and over, during the above pericds, and were adjustments made during the year in respect of each such indicated loss or gain, in order to give effect to reconciliation of stock balances shown in the Depot numerical ledgers with those in the priced ledgers and the differences immediately posted in the Store Accounts Office? If not, why not?

Mr. A. A. L. Parsons: The information required is being obtained. I shall communicate later with the Honourable Member.

RECOVERY OF LOSSES ON RAILWAYS.

624. ***Lieut.-Colonel H. A. J. Gidney:** (*a*) Will Government be pleased to state the guiding principles which regulate the recovery of amounts lost to Railway Administrations by fraud or negligence on the part of their servants and contractors, or through the blunders of the Railway Board, taking into consideration the rights of the public, the interests of the taxpayer and considerations of equity and justice?

(*b*) What is the general principle for disciplinary action in all such cases, taking into consideration the various degrees of culpability and negligence?

Mr. A. A. L. Parsons: The Honourable Member is no doubt aware of the circular issued in June last by the Finance Department on the subject, of which he must have received a copy as a member of the Public Accounts Committee. Railway Administrations have been instructed to follow the principles enunciated by the Government of India in that circular.

IRREGULARITIES IN THE PURCHASE OF STORES ON RAILWAYS.

625. ***Lieut.-Colonel H. A. J. Gidney:** (*a*) Will Government be pleased to state whether the Railway Board have gone into the many cases of serious irregularities in regard to the purchase of stores, etc., on all Railways in India, especially the State Railways as disclosed in the Appropriation of Accounts of Railways in India for 1925-26 and 1926-27?

(*b*) Have Government taken any action on these cases, and if so, what action, giving particulars of each? If not, why not?

Mr. A. A. L. Parsons: (*a*) Yes.

(*b*) I would invite the Honourable Member's attention to the proceedings of the Public Accounts Committees which investigated these cases, and the evidence recorded in their reports.

RATE OF INTEREST ON RAILWAY PROVIDENT FUND.

626. ***Lieut.-Colonel H. A. J. Gidney:** (*a*) Will Government be pleased to state whether, under the Government of India Resolution No. 400-F., the interest on Railway Provident Fund for the period 1914-1916 was increased from 5½ to 8⅓ per cent.?

(*b*) Is it a fact that this circular was not communicated to the employees?

(*c*) Is it a fact that this increased Provident Fund for the period mentioned was allowed only to those employees who claimed it?

(*d*) Have Government considered the question of sanctioning this amount to all those who were then in service and who contributed towards the Provident Fund?

Mr. A. A. L. Parsons: (*a*) No. The Honourable Member has I think misunderstood the Resolution, which provided that a recalculation of bonus and interest would be made in the case of subscribers, with certain exceptions, in service on 1st April 1916, at the time of their retirement, as if they had subscribed to the Fund at the rate of 8⅓ per cent. of salary from the commencement of their service.

(*b*) The Resolution was published in the Gazette of India and incorporated in the State Railway Provident Fund Rules—*vide* rule 19 thereof.

(*c*) No.

(*d*) Does not arise.

RATE OF INTEREST ON PROVIDENT FUND DEPOSITS.

627. ***Lieut.-Colonel H. A. J. Gidney:** (*a*) Is it a fact that the rate of interest on the Provident Fund was reduced from 5½ to 4¾ per cent.?

(*b*) Is it a fact that, under rule 20 governing the Railway Provident Fund, the rate of interest paid on Provident Fund deposits is subject to modification if the rate of interest of Government of India loans undergoes a change?

(*c*) In view of the fact that Government have, since 1927, floated two loans at 6 per cent., have Government considered the question of restoring the interest on Provident Fund deposits to 5½ per cent. with retrospective effect? If not, why not?

The Honourable Sir George Schuster: (*a*) The rate interest payable by Government on balances in the State Railway and other similar Provident Funds was reduced from 5½ to 4¾ per cent., with effect from the 1st April, 1927.

(*b*) Under Rule 20 of the State Railway Provident Fund Rules interest on balances in the Fund is payable at such rate as may from time to time be prescribed, having regard to the yield on long dated Government loans.

(*c*) For the purpose of fixing the rate of interest payable on rupee funds maintained in India, such as the State Railway Provident Fund, the rate of interest on rupee loans raised in India is taken into account. Government have floated no rupee loans in India at 6 per cent. since 1927. The whole question has recently been under consideration and, it has been decided to adopt a fixed formula for calculating the rate of interest to be paid in place of the present discretionary method. The principle underlying the new formula will be to take the average yield of long term rupee securities over a fixed period of years ending with the calendar year preceding the year for which the rate is to be fixed. This method will prevent violent fluctuations from year to year and will in the long run be fair both to subscribers and to Government. Working on this principle the rate will be increased from 4¾ per cent. to 5 per cent. with effect from the 1st April, 1930.

SUSPENSION OF WARRANT OFFICERS.

628. *Lieut.-Colonel H. A. J. Gidney: Will Government be pleased to state the maximum period for which a warrant officer can be kept under suspension?

Mr. G. M. Young: No maximum period is laid down. The officer would normally be suspended for the period required for the investigation and disposal of the case against him.

Lieut.-Colonel H. A. J. Gidney: Does that mean that that period can extend to one year or two years?

Mr. G. M. Young: I do not think I have anything to add to the answer I have already given that the officer would normally be suspended for the period required for the investigation and disposal of the case.

ELECTION OF A MEMBER TO THE STANDING COMMITTEE ON ROADS.

Mr. President: I have to inform the House that Mr. Adit Prasad Singh has been elected to the Standing Committee on Roads in the vacancy caused by the resignation of Kumar Ganganand Sinha.

ELECTION OF MEMBERS TO THE COMMITTEE ON PUBLIC ACCOUNTS.

Mr. President: Non-official Members will now proceed to elect three members to the Committee on Public Accounts in place of Mr. T. A. K. Shervani, Mr. S. C. Mitra and Kumar Ganganand Sinha. The ballot papers will now be supplied to Honourable Members in the order in which I call them.

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): Sir, I want to raise a point of order as regards the validity of these elections to the Public Accounts Committee.

This election is being held under sub-rule (3) of rule 51 of the Legislative Rules, which reads:

"Casual vacancies in the committee shall be filled as soon as possible after they occur, by election or nomination in the manner aforesaid according as the member who has vacated his seat was an elected or nominated member, and any person so elected or nominated shall hold office for the period for which the person in whose place he is elected or nominated would, under the provisions of this rule, have held office."

Now, three Members have resigned, *viz.*, Mr. Shervani, Mr. Mitra and Kumar Ganganand Sinha. According to the spirit of the rule on the expiry of the second year, membership ceases. Mr. Shervani was there for two years, and after the 31st of December he was not a member, and therefore there can be no re-election in his place. As for Mr. Mitra and Kumar Ganganand Sinha, according to sub-rule (4), the spirit of the rule is that, on the expiry of the second year from the date of their election, the membership should cease. They are only one year members.

There may be election but there is no provision, according to the letter of the rule as to what should be done if the Assembly is extended. Now the Assembly has been extended and it is now the fourth year. Therefore the Committee ought to have ceased altogether by the 31st of December, or if the spirit of the rule is taken, then these two elections will be valid and not that of the member in place of Mr. Shervani, who has already been there for two years. There is no casual vacancy in that case.

The Honourable Sir Brojendra Mitter (Law Member): I submit there is no point in this objection. Apparently the Honourable Member has not noticed that in sub-rule (1), for the words "each financial year", the words "the first session of each Assembly" were substituted and for the words "shall be constituted", the words "shall, subject to the provisions of this rule, be constituted for the duration of the Assembly" were substituted. There is no specific provision for a vacancy at the end of the third year; but nevertheless, Members who were members of the Committee at the end of the third year continued to be members for the duration of the Assembly. If that be so, they were Members of the Committee and when they were such Members, they resigned. Therefore, the case comes under sub-rule (3)—casual vacancies. Sub-rule (3) governs this particular case. The life of the Assembly was extended, and they were members for the life of the Assembly. Their resignations caused casual vacancies, and therefore the casual vacancy rule would govern this case. This is plain enough.

Mr. President: What about Mr. Shervani?

The Honourable Sir Brojendra Mitter: I do not know what happened to Mr. Shervani. I understand he resigned. If he resigned, then there was a casual vacancy.

Pandit Nilakantha Das: What is the provision after the second year has expired if the Assembly goes on for five or six years?

The Honourable Sir Brojendra Mitter: Sir, sub-rule (4) is this:

"Of the members elected at the time of the constitution of the Committee, not less than one half, who shall be selected by lot, shall retire on the expiry of one year from the date of their election."

Thus one half goes out at the end of the first year. Then the rule goes on to say:

"The remainder shall retire on the expiry of the second year from that date."

So the other half goes out at the end of the second year. There is no provision for going out at the end of the third year for the simple reason that the normal life of the Assembly is three years. But sub-rule (1) contemplates members of the Committee continuing for the life of the Assembly. There it is not limited to three years but for the life of the Assembly which necessarily includes an extension of the normal life. That being so, when there is a resignation during the extended period, a casual vacancy would occur.

Mr. M. S. Aney (Berar Representative): The objection raised with regard to Mr. Shervani is this. If two years have elapsed since the election of Mr. Shervani to the Committee, then if there was no retirement on his part, he must be held as having retired at the end of the second year and as being no longer a member of the Public Accounts Committee after that

[Mr. M. S. Aney.]

period. So in the third year, by his resignation from the Assembly no casual vacancy is caused, which can be filled under the Standing orders by election. That is the difficulty. How is that to be governed?

The Honourable Sir Brojendra Mitter: Sir, resignation creates a casual vacancy. If he was a member when he resigned, then as soon as he resigns, a casual vacancy occurs and therefore the sub-rule dealing with casual vacancies would apply to that case. If Mr. Shervani resigned when he was still a member, then his resignation caused a casual vacancy. There is no difficulty.

Mr. Amarnath Dutt (Burdwan Division: Non-Muhammadan Rural): He ceased to be a member before he resigned.

The Honourable Sir Brojendra Mitter: I understand that that is not the case.

Mr. President: This point was brought to my notice by Mr. S. C. Mitra and I had pointed out to him that I had considerable sympathy with the point of view he had placed before me. But my difficulty was that he had not brought the matter to my notice when the motion for the purpose of electing three Members was actually moved and carried in this House. It is in pursuance of that motion, adopted by this House, that this election now takes place. The proper time when the point of order should have been raised was the time when the motion was made by Sir Frank Noyce—was it Sir Frank Noyce?—(*Honourable Members*: "Sir George Schuster.)" That was the time when the point should have been taken. I consider that the Honourable Member is too late in raising the point of order now.

Pandit Nilakantha Das: But I was not a Member on that day.

Mr. President: That is my misfortune.

(The ballot was then taken.)

STATEMENT LAID ON THE TABLE.

REPORT SHOWING PROGRESS MADE IN GIVING EFFECT TO THE RECOMMENDATIONS OF THE ROYAL COMMISSION ON AGRICULTURE.

Sir Frank Noyce (Secretary, Department of Education, Health and Lands): Sir, I lay* on the table of the House the information promised in reply to unstarred question No. 50 asked by Khan Bahadur Sarfaraz Hussain Khan on the 2nd September, 1929, regarding the progress made in giving effect to the recommendations of the Royal Commission on Agriculture in India.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE ON PILGRIMAGE TO THE HEDJAZ.

Sir Frank Noyce (Secretary, Department of Education, Health and Lands): Sir, I move that this Assembly do proceed to elect in such manner as the Honourable the President may direct, five Muslim Members to sit on the Standing Committee on Pilgrimage to the Hedjaz.

*Copies of the Report were distributed to Honourable Members and also placed in the Library.

Sir, as this motion relates to the constitution of a new Standing Committee of the Central Legislature, it is perhaps desirable that I should say a few words in explanation of it. The Haj Inquiry Committee, whose Report was issued last week, have recommended, in paragraph 236 of their Report that Government should constitute a standing committee of the Central Legislature in order to provide . . . . .

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, the Members of this House have not been supplied with copies of the Haj Committee's Report. We only saw a notice of it in the Press. May I ask, Sir, how we can discuss it?

Mr. President: The motion refers to Muslim Members of the House?

Mr. Vidya Sagar Pandya (Madras: Indian Commerce): But the original Committee had a non-Muslim gentleman as Chairman.

Mr. President: Who?

Mr. Vidya Sagar Pandya: The Chairman of the Haj Committee was a European gentleman; and the Committee thus did not consist of Muslims only.

Mr. President: The motion refers to the election of Muslim Members?

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): But the whole Assembly is to elect the Muslim Members, Sir.

Mr. President: Has the Report been circulated to Honourable Members?

Several Honourable Members: No, no.

Sir Frank Noyce: It is in the Library of the House by now.

Mr. Vidya Sagar Pandya: There are so many things in the Library.

Sir Frank Noyce: My Honourable friend the Leader of the House is not in the House just now and I have not had an opportunity of consulting him, but I have no objection, to postponing the moving of this motion until Honourable Members have had an opportunity of studying the paragraph in question.

Mr. President: Is there anything controversial in this motion?

Sir Frank Noyce: Sir, the paragraph in question is a short one. As I have said, the Haj Inquiry Committee have recommended that Government should constitute a Standing Haj Committee of the Central Legislature in order to provide a centralised agency for keeping in touch with the problems that arise, and to advise on the questions affecting the pilgrimage from year to year. The Government of India welcomed the suggestion that the Department which I represent in this House should have the assistance of a standing advisory committee of this character from the members of which my Department could no doubt receive valuable assistance of the kind which it receives from the members of the Standing Committee on Emigration. The Haj Inquiry Committee suggested that it would not be necessary to have more than nine members. We are asking this House to elect five of these. Two more will come from the Council of State, and the remaining two members who will make up the total of nine will be the Honourable Member in charge of the portfolio of Education, Health and Lands, and the Secretary or Joint Secretary in that Department who will

[Sir Frank Noyce.]

provide the non-Muslim element which my Honourable friend Mr. Vidya Sagar Pandya regards as so necessary. I may explain that the reason why Government have asked this House to elect five Muslim Members is that they regard this as a purely domestic matter, and that they consider it desirable therefore that the Members of the Committee should be Muslims. The reason why the Haj Inquiry Committee had a non-Muslim Chairman was in order to give them help and assistance in eliciting evidence, in making their arrangements and generally in conducting their proceedings. Sir, I move.

Mr. M. S. Aney (Berar Representative): I am not raising any objection to the motion before the House, but I want it to be recorded that the way in which the motion has been brought forward is not free from objection. It is a motion arising out of the recommendations in a Report made by a Committee, and that Report is not in the hands of the Honourable Members, although my Honourable friend has told us that a copy of the Report is in the Library of the House. But when the recommendations in an important Report like that are to be given effect to, a fair opportunity must be given to the Members of this House to consider the Report and the recommendations. From that point of view I want to bring it to the notice of the Government that it will form a bad precedent and this case should not be treated hereafter as a precedent in connection with any other Reports in future. That is all that I want to say by way of protest against the procedure adopted in relation to the motion brought forward by my Honourable friend.

Maulvi Mohammad Shafee Daoodi (Tirhut Division: Muhammadan): The appointment of a Standing Haj Committee on the pilgrimage to the Hedjaz has been discussed in this House, I think, two or three times. At the last Simla Session also, I do not remember the date exactly, when the matter came up for discussion, it was suggested that there should be a Standing Committee for this purpose, as the Government cannot get all the materials which are necessary for the purpose of regulating the traffic without the help of such a committee, and the recommendation that has been made by the Haj Inquiry Committee in this respect is nothing new. It is only a confirmation of the view of this House which has been expressed, as I said on other occasions. The recommendations in the Report are very radical. There are about 200 recommendations regulating the traffic in an absolutely different manner. In the interests of the pilgrims themselves, we urged upon the Government to take the earliest opportunity to appoint the Committee. We finished the Repot hurriedly so that action might be taken as expeditiously as possible. We did this as early as the 3rd December, 1929, and we thought that the intervening period between the 3rd December and the sitting of this Assembly would be availed of by the Government of India for the purpose . . . .

12 NOON.

Mr. President: Order, order. The Honourable Member will realise that no serious objection has been taken to the course adopted by Sir Frank Noyce. All that the Honourable Member from Berar has pointed out is that this should not create a precedent.

Maulvi Mohammad Shafee Daoodi: I am only submitting the urgency of the matter. I am pointing out that the matter is urgent.

Several Honourable Members: We have no objection.

(Mr. B. Das rose to speak.)

Mr. President: Does the Honourable Member want to speak? Was he a member of the Committee? (Laughter.)

Mr. B. Das: I would like to say a few words, after listening to my Honourable friend Maulvi Shafee Daoodi. I find that the Honourable Sir Frank Noyce is taking away a certain definite privilege of the Members of this House. A committee was appointed by this House and I know that my friend Maulvi Shafee Daoodi was an ornament to that Committee. The recommendations of that Committee will receive my heartiest support. At the same time I want to know why the Department of Education wants to treat the Members of this House like this, by not circulating copies of the Report of this Committee to the Members of this House. My friend Maulvi Shafee Daoodi has not told us whether he himself received a copy from the Department. If my Muslim friends have not received their copies, is it not a matter concerning the privileges of this House being curtailed? I hope the Treasury Benches will see that our privileges are not treated lightly in this way.

Sir Frank Noyce: I should like to explain to my Honourable friend Mr. B. Das that there was no intention of treating the House cavalierly in this matter. That is the last thing I should think of doing. The matter was somewhat urgent and we were anxious to get this committee constituted before the end of this Session and it was for that reason that the motion was brought forward today.

Mr. Vidya Sagar Pandya: Am I to understand that copies of the Report will now be circulated to the House?

Sir Frank Noyce: Certainly.

Mr. President: The question is:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, five Muslim Members to sit on the Standing Committee on Pilgrimage to the Hedjaz."

The motion was adopted.

PROCEDURE FOR ELECTION OF MEMBERS TO THE STANDING COMMITTEE ON PILGRIMAGE TO THE HEDJAZ.

Mr. President: I have to inform the House that for the purpose of election of Members to the Standing Committee on Pilgrimage to the Hedjaz the Assembly Office will be open to receive nomination up to 12 Noon on Wednesday the 19th March and that the election, if necessary, will take place in this Chamber on Friday the 21st March, 1930. The election will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

THE SILVER (EXCISE DUTY) BILL.

The Honourable Sir George Schuster (Finance Member): I move for leave to introduce a Bill to provide for the imposition and collection of an excise duty on silver.

(Mr. Lamb rose to speak.)

Mr. President: Does the Honourable Member wish to oppose?

Mr. W. S. Lamb (Burma: European): I do not desire to oppose it. I want to get some information about this Bill . . . .

Mr. President: The Honourable Member can speak at this stage only if he wishes to oppose the introduction.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): May I know whether the convention that was established in this House that no motion of this character should be opposed has been abrogated?

Mr. President: The convention is there. The question is:

"That leave be given to introduce a Bill to provide for the imposition and collection of an excise duty on silver."

The motion was adopted.

The Honourable Sir George Schuster: I introduce the Bill.

THE COTTON TEXTILE INDUSTRY (PROTECTION) BILL.

Mr. President: The House will now proceed with the further discussion of the following motion moved by Sir George Rainy on the 13th March, 1930:

"That the Bill further to amend the Indian Tariff Act, 1894, and to amend the Indian Tariff (Cotton Yarn Amendment) Act, 1927, be taken into consideration."

Diwan Chaman Lall (West Punjab: Non-Muhammadan): On the last occasion when I was discussing the provisions of this Bill, the main proposition that I placed before this House was this. Firstly, is protection necessary? Secondly, is protection desirable? Thirdly, is the scheme of British preference contained in the Bill a scheme which we ought to assent to? Now, Sir, I detailed at some length certain arguments I advanced in contradiction of the statements made by my friend, Mr. Mody. I take this opportunity, once again, of saying that Mr. Mody has done his level best. He has, in a brilliant and eloquent manner, placed his case before this House. To be brilliant and eloquent does not necessarily mean that one is convincing. As far as I am concerned, I still stand absolutely unconvinced by the arguments that he has placed before this House. I want to refer Honourable Members briefly to the statement made by the Honourable Sir George Schuster in his budget speech. The charge, you will remember I was making, was this, that we were subsidising the inefficiency of the millowners in this country, and that charge I take from the mouth of Sir George Schuster himself. In his budget speech he said:

"We recognise that the ultimate failure or success of the mill industry in Bombay must depend entirely upon the extent to which the millowners utilise the present opportunity in order to improve their efficiency and labour conditions, and if full use is not made of this opportunity, the position of the industry may be no better in the succeeding period of three years than it is today."

It is recognised by the Government of India that the present system of controlling the mill industry in India is an inefficient method.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir George Schuster referred to Bombay and not to all India.

Diwan Chaman Lall: If my friend Mr. Das had listened to my speech, he would have known perfectly well that I devoted the greater portion of my speech on the last occasion to Bombay.

Mr. B. Das: Then say that the inefficiency applies only to Bombay.

Diwan Chaman Lall: What consolation Mr. Mody would derive from that, I do not know. (Laughter.) Now, Sir, if it is a fact that the mill industry is inefficient, then I want to know, before the Government make a handsome present in the shape of protection to this industry, as to what guarantee there is that this industry is going to be made efficient in the future. Right through the speech of the Honourable the Finance Member runs the thread of this argument; namely, you should put your house in order. Unless and until you do that, the assistance we are giving at the present moment may be of no avail to you. Three years hence, you may be in the same position in which you are now, in spite of the fact that we are giving you this assistance. I put it in another way. In spite of the crores of rupees that are taken away from the pockets of the poor consumers, you may be exactly in the same position in which you are now. Has the Honourable the Finance Member taken any guarantee from the millowners of Bombay that they are going to put their house in order? I want to know that from the Government of India. If the Government of India, during their negotiations with the millowners and with other interests connected with the mill industry, have not been able to obtain a guarantee from the millowners, then I say, what business have they to come to this House and suggest this heavy burden being placed upon the consumer? So far, as I can make out, the position is this. The poor man in this country is going to pay more for his cotton. The poor man is going to pay more for his silver. The poor man is going to pay more for his kerosene and for his sugar. All that he is not going to pay more for is his funeral, and that he does not worry about. (Laughter.) If, at the cost of the poor consumer in this country, as the Honourable the Finance Member is going to make a present of this nature to the mill industry, I want him to get a definite guarantee from them that they will do this, that and the other in order to put their house in order. When I suggested that to my Honourable friend, Mr. Mody, he said that he did not want to be reminded of the fact that he is to put his house in order. But I certainly want to have a guarantee from him that he will put his house in order. I want him to give the guarantee that the millowners are going to treat their labour in the civilised manner that they should. I put another question to Mr. Mody. "Are you prepared to give the workers 50 per cent. of the advantage that you will derive out of this industry and utilise that sum for the benefit of the working classes engaged in this industry?" I have not been able to get an answer from him on that point, but I find the Honourable the Finance Member making a similar suggestion himself. Has he obtained a guarantee from them that they are going to treat their working classes better than they have treated them in the past? Now, Sir, what is the advantage that this industry gets as against both Lancashire and Japan? To prove the case for protection, one has got to prove further that the advantage that Japan

[Diwan Chaman Lall.]

and Lancashire have over the cost of production in India is such that you must protect India as against both Lancashire and Japan. Has that been established? Has that been proved? Has anybody gone into the figures connected with the cost of production? I submit that, even Mr. Hardy in his Report, when he discusses on pages 88 and 89, the question of prices of Japanese imported goods, does not take the question of the cost of production into account. And if he does not do that, where is the case for protection? Has anybody proved that the cost of production in Japan is lower than the cost of production in Bombay? And if you prove that, have you discovered why it is lower in Japan than it is in Bombay? Take the case of Lancashire. In this connection, let me for a moment remind my friend, Mr. Mody, of the incidence that is placed upon Lancashire in regard to various charges since the war on the price of cotton yarn. The statement regarding Lancashire yarn runs thus:

"There is one handicap to British industry in competing with the rivals which is always in evidence, the enormous increase in taxation both Imperial and local. An illustration of what this means to cotton was given by Mr. Dewhurst to the Shareholders of Williams Deacon's when he quoted the annual report of the Oldham Master Cotton Spinners' Association to the effect that for a typical mill in the Oldham district the actual percentage increase in cost over 1914 of one pound of weight of yarn was 174 per cent. for local rates, 277 per cent. for income-tax, and 640 per cent. for health, pensions and unemployment insurance."

These are charges which, even if a part of them had been levied on the Bombay industry, the Bombay millowners would have thrown up their hands for help. Here is a definite disadvantage suffered by Lancashire as against India. Yet, in spite of these heavy charges borne by that industry, am I to understand that our industries in this country cannot compete with Lancashire? Take the case of Japan. I would like to refer my Honourable friend to the actual condition of wages in Japan. I do not know if the millowners have read Mr. Arnol Pearse's latest book on the subject. In that book you will find that the Japanese wages are considerably higher than the wages paid in Bombay. The Bombay wage average, according to the Labour Office, is about Rs. 30 and odd annas per month. What is the average wage of a Japanese workman? A woman worker in Japan gets on an average Rs. 40 a month, and a mill worker in Japan in the cotton industry gets on an average Rs. 60 a month. Do not the wages form one main, material part of the cost of production and is it or is it not a fact that the labour cost in Japan is considerably higher than it is in India? I have already mentioned the fact about raw material. Raw material is imported in large quantities from this country. They have to pay the freight and they have to pay freight back again. On the top of that is their labour cost which is considerably higher than the labour cost in Bombay or in any other centre in India. Is that an advantage that Japan has over us? And if there is no advantage that Japan has over us in the matter of raw material on the one side and in the matter of labour cost on the other, where is the case made out for protection?

Take the case of hours, and here, Sir, I must make it perfectly clear that when I twitted my friend Mr. Mody on the last occasion in regard to the Washington Hours Convention, I was referring him all the time to the Washington Hours Convention, which is the only Convention which is called the Washington Convention. Now, my friend Mr. Mody turned

round and said that Japan had not ratified the Convention regarding night work for women, and that women are still permitted to work between the hours of 11 and 5 in the night. That there was a Convention to that effect is perfectly true. But what is the position in Japan? It is this. As far as women workers are concerned the position described by Mr. Mody is only partly true, but it is not true in regard to all working classes. They are working there today on the two shift system. The two shift system means 8½ hours a day. On what basis are they working in Bombay? Every worker has to spend 10 hours in the mill and he gets one hour's recess, which makes 11 hours in all. So, we have here 11 hours in the mill as compared to 8½ hours work, *plus* another half an hour's rest, altogether 9 hours, in Japan. In fact if Japan does not strictly subscribe to the Convention, nor does India. In Japan they stop work at eleven P.M. instead of ten, but start work at 5-30 A.M. instead as they could, at 5 A.M. The difference of half an hour only. But in India too there is no legal sanction today attaching to this particular provision as is evidenced by the Government of India themselves. India has no advantage over Japan in this respect.

On the question of wages, Japan has no advantage; on the question of hours, Japan has no advantage. My Honourable friend says, if they ratified this Convention then they would never have these advantages over us. What is the advantage, I ask you. The advantage would be if a woman was employed at night or if it were proved that the employment of women in Japan was much cheaper than the employment of men in Bombay or even of women in Bombay. As a matter of fact the average wages of women in Japan are higher than the average wages of women in Bombay or higher even than the wages of men in Bombay. Therefore even the employment of women gives no advantage to Japan. On the contrary, as I have said the Japanese worker is working shorter hours and getting higher wages and that is not all. Take the treatment of the Japanese mill worker and compare the treatment of the Japanese mill worker with the treatment of the Indian mill worker in India. What is it that they do? They provide for them with three meals a day and a woman worker pays only three annas a day while a male gets his three meals for about 3½ annas a day. They are provided decent meals at this low rate, and this has also to be added to the wages. They provide for them schools and it is compulsory for them to go to schools. Then they provide for them a theatre and a gymnasium, and the amenities of a civilised existence. What do our friends in Bombay provide for the worker? When it is still dark, the little woman worker in Bombay marches out of her lowly *bustee*—small little hut—and then sweats the whole day in the mill and returns home again after darkness has set in to her hovel of a *chawl*. That is the kind of life that she lives. Is there any provision made for her training? None. Is there any provision made for educating her? None. Is there any provision made to bring the amenities of a civilised existence to her door? None. Then, my Honourable friend over there complained about the inefficiency of the Indian worker, compared with the efficiency of the foreign worker? What can any human being expect from miserable human beings in this country leading lives that the Bombay mill hands are leading, working eleven hours in the factory, going to the factory when it is dark and coming out of the factory when it is dark, no joy, no peace, no happiness, no convenience and no comfort for them throughout their short span of existence. Is that what you call an advantage for us? Is that an advantage for my Honourable

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friend over there who flourishes through the sweat of the Indian mill hands? Does any other civilised country in the world treat its workers like that? If therefore a case has not been made out in regard to the cost of production, if therefore a case has not been made out in regard to the necessity for protection on the basis of legitimate advantage gained over us by Japan or Lancashire, I say the proposition stands self-condemned. There is no necessity for it. But take the figures. It is a very instructive statement which the Honourable Sir George Rainy has circulated to the Honourable Members of this House. Let me take the four categories one by one.

Let me take first of all the *dhotis*: What is the actual position? In 1914 Lancashire was importing roughly 800 million yards—the actual figure is 806 million yards—into this country. I am taking the 1927-28 figures and not 1928-29 figures because the latter are somewhat vitiated by the strike, as is amply proved by the averages given by the Honourable Sir George Rainy in the printed statement itself. In 1927-28, the figures show that from 806 million yards of *dhotis*, that Lancashire used to import into this country, the drop has been to 493 million yards. There has been a drop of 313 million yards. What has been happening to Indian production in the meanwhile? In Indian production there has been an advance.

(At this stage Dr. Ziauddin Ahmad crossed between the speaker and the Chair.)

Mr. President: Order, order.

Diwan Chaman Lall: While there has been a drop in the Lancashire business, there has been an increase as far as Indian production is concerned from 285 million yards in 1914 to 661 million yards, or an increase of 331 million yards. Does that show that the cotton industry in Bombay is in a moribund condition? Does it show that it is receding instead of advancing? It has gone on capturing business. Even according to the statement of the Honourable Sir George Rainy, which is to be found in page 2 of the document he has circulated, he says that during the last twenty years, the Indian mill industry has made extraordinary progress, and its expansion has taken place almost entirely at the expense of British industry. Does that show that this industry needs propping up or spoon-feeding or needs assistance that has been given to it? What is the position in regard to Japan during the same period? In Japan what has happened is this. As far as the *dhotis* are concerned, only 35 million yards are being imported. It is said that out of these, 30 million yards are competitive with our production. If the figures were taken out of Mr. Hardy's Report, it would appear that, according to Mr. Hardy, page 40, the total figures are 131 million yards as against Japan and the United Kingdom, and if in 1927-28, the Japanese imported 30 million yards, that leaves us with the figure of not 88 million as stated by the Honourable Member in his printed statement, but it leaves us with the figure of 101 million yards which are, according to him, competitive quantities imported into this country from Lancashire. But let me take the figure of 30 million in Japan. Are they really competitive? The Indian mill production in regard to the *dhotis* is usually below 40's and very rarely above 40's. The 30 million yards imported from Japan are mostly 40 warp and 40 weft or 42 warp and 42 weft. That is to say, they come in the category of counts which are not of a competitive nature as far as Indian production is concerned. If that is so, there is no competition from Japan as regards the *dhotis*. There is no competition. Whereas on the other side there is competition from the 101 million yards

of *dhotis* which are usually of 35 counts or below 35 counts imported from Lancashire. If that is the position, if there is competition from Lancashire of 101 million yards and there is no competition from Japan, where is the necessity first of all for this discrimination against Japan in favour of Lancashire? And secondly, in view of the fact that the Indian industry, according to the Honourable Member himself, has gone on and captured the trade of Lancashire in regard to this matter, where is the necessity for assisting Lancashire against Japan? I want a straightforward reply both from the Government and from the millowners to show me where and how there is necessity, firstly, in view of the fact that India has, during the last few years, as shown by the figures, captured the trade of Lancashire—that is according to the statement of the Honourable Member himself—and secondly, according to a further statement of the Honourable Member himself, with the imposition of this 11 per cent., will be able to continue its policy of capturing Lancashire trade. Where is the necessity for any further protection against Lancashire? And secondly, since there is no competition from Japan with regard to this matter—or if at all a very minor competition even if the Honourable Member's figures are taken to be correct, namely 30 million yards—where is the necessity for protection against Japan? Now, Sir, this is the case of the bordered *dhotis*. When I refer to 30 million yards imported from Japan it must be realised that they are all of the higher counts and therefore there is no competition.

Let me take the case of long cloth and shirtings. Exactly the same position appears in regard to long cloth and shirtings. The 1914 figures for Lancashire were 540 million yards and there is a tremendous drop from 540 million yards to 77 million yards in 1927-28. There is, I understand, a still further drop in 1928-29. Now, it means this, that Lancashire during this period has lost 463 million yards. What has India done during that period? The Indian production has gone up from 1914, when it stood at 292 million yards, to 620 million yards in 1927-28. Lancashire has lost 463 million yards and India, during that period, has gained 328 million yards. In the case of *dhotis*, there was an increase of production of nearly 120 per cent. In the case of long cloth and in the case of shirtings there has been an increase of nearly 100 per cent. Now what is the position with regard to Japan? Japan has increased in the same period from 5 million yards to 154 million yards. Does that show, do these figures show that there is any necessity for protection when Indian manufactured goods have been steadily marching ahead and have, during this period, increased their production by something like 328 million yards? Does this industry need protection? And if it does, against whom? Is it against Lancashire, or is it against Japan? We get 154 million yards from Japan, and from the United Kingdom we get the figure of 77 yards. What Lancashire apparently intends to do is this. Lancashire does not mind sacrificing this small figure of 77 million yards, but Lancashire does want to protect itself in the matter of *dhotis;* and not only does it want to protect itself but to go ahead in the matter of *dhotis*. As far as this particular brand of cloth is concerned, they do not mind; they will sacrifice these 77 million yards, and therefore my Honourable friend over there was perfectly willing to accept the amendment moved by Mr. Shanmukham Chetty.

I have still to consider the question of coloured goods. In the coloured goods, 770 million yards was the import from Lancashire in 1914 and in 1927-28 they dropped down to 352 million yards; there was a decrease of 418 million yards as far as coloured goods are concerned. In the same

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period, India advanced from 292 million yards to 681 million yards, an increase of 389 millions. Practically the entire decrease of Lancashire was captured by India, and Japan during that period advanced only to the extent of 110 millions.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): From what figure?

Diwan Chaman Lall: From 2 millions to 110 millions. My friend has got the figures in front of him.

Sir Cowasji Jehangir: They are incorrect.

Diwan Chaman Lall: Are they?

Sir Cowasji Jehangir: One was.

Diwan Chaman Lall: Which one?

Sir Cowasji Jehangir: I will point out later.

Diwan Chaman Lall: It is absolutely absurd for the Honourable Member to make a statement like that when he is not prepared to challenge my statement. I wanted my Honourable friend to challenge it and he has not got the courage to get up and do so, in spite of the fact that I gave way to him and so I will ignore him.

Now, here is an advance, which is roughly about 120 per cent. Is this correct, that India has advanced, and if it is correct, what is the necessity for the protection? The Japanese competitive figures are 86 and the United Kingdom competitive figures are 50 in regard to coloured goods. Now let me consider this for a moment. If Japan is eliminated, it gives a complete monopoly to Lancashire. One of the principles of the present capitalistic system is that there must be private competitive enterprise. That is the bedrock and the basic principle of the capitalistic system. What we are being asked to do at the present moment is to reverse that process, not to leave it free and not to leave it private in the sense that nobody is going to assist it, but that the State must be brought in to assist an industry to kill competition. That is a socialistic principle of State enterprise being imported into this particular industry without my Honourable friends being aware of it that they are really preaching socialism in a manner. But they will not realise this that it is not complete socialism until and unless the industry is handed over to the nation and run for the benefit of the nation and not for the benefit of my friends over there.

There is one other matter, and that is the last category, that I want to refer to, and that is the question of white bleached goods. I take it that discrimination is being offered against Japan in the case of white bleached goods. Now, according to the figures supplied, we are not producing any white bleached goods. The imports from Lancashire are 525 million yards, the imports from Japan are 5 million yards. If that is the proposition, then supposing this preference were given to Lancashire, what would be the result? Again the same principle will apply. Competition will be killed and since we are not producing anything we will be completely at

the mercy of Lancashire and Lancashire can demand the prices it wants within these fixed limits. I say, Sir, even in the case of white bleached goods, why should there be this increase of duty? Whom are you protecting in the case of white bleached goods? Is there any single individual in this country running the mill industry who, according to the figures that you have supplied to us, is competing with the imported goods? If not, what is the principle on which you are working in order to give protection, against what? There can be protection against a thing only if it exists. If we are producing a particular quality of goods and other countries are importing these goods, then I can understand this principle of protection. I may not agree with it, but I can understand it. Here are goods that are not being produced in this country. There is no competition between the imports and the manufactured goods in this country. Then why raise the duty? On what principle? I have not had a reply to that and I hope my Honourable friend when he gets up to speak will give a reply to this particular question.

Now, Sir, one further fact that I should like to mention is this. The total *dhotis* and shirtings that we produce in this country are 1,235 million yards as against the imports from Japan of 190 million yards. Am I to understand that these great millowners in this country are so afraid, when they produce 1,235 million yards themselves, of the imported figure of 190 million yards? Are they so afraid that they want to raise the price to the consumer of every yard of cotton cloth that he uses? My friend Mr. Birla, the other day, in a very eloquent speech stated that the consumption of cotton cloth in this country had gone down *per capita*. If it has gone down *per capita* what is that due to? My Honourable friend over there gave the reason himself, it is the gradual impoverishment of the people of this country. (Hear, hear.) If it is the gradual impoverishment of the people of this country are you going to make them happier by raising the price of the cloth that they wear? Is that the argument? Is that how you are going to improve their lot, or increase the prosperity of the already impoverished masses of this country? Either one must fight against new taxation of this indirect kind which hits hardest the poorest people of this country or we must stand out and say that we do not care what happens to the poorest people in this country and all that we are out to do is to bolster up an industry which has had a shock or two from its foreign rivals. Sir, it is not possible that both of these propositions can be uttered at the same time, namely, the interest of the consumer who is already so impoverished that he cannot buy the cloth that he has to wear, and the proposition that we should tax that impoverished consumer still more because we want to bolster up this industry.

One further fact that I want to allude to is this. Speaking in 1927 on the Indian Tariff (Cotton Yarn Amendment) Bill, the Honourable Sir George Rainy said:

> "Were such a measure contemplated,"

that is to say, a measure of preference—

> "that of course would raise the whole question about the trade agreement, just as the same question would have been raised had the Government of India accepted the proposal put forward by Mr. Noyce for a differential duty against Japan. But we have at present no reason whatever to anticipate discriminatory action."

Now, I want to ask the Government of India whether they have looked into this very matter referred to by the Honourable Sir George Rainy in

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1927, the matter of the Anglo-Japanese Convention. There was a Convention signed regarding commercial relations between Japan and China. I hold a copy of it in my hand. In Article 2 it is said:

"Reciprocally any article, the produce or manufacture of India shall enjoy, upon importation into the dominions and possessions of His Majesty the Emperor of Japan, the lowest customs duties applicable to similar products of any other foreign origin."

Article 1 says:

"Any article, the produce or manufacture of the dominions and possessions of His Majesty the Emperor of Japan shall enjoy, upon importation into India, the lowest customs duties applicable to similar products of any other foreign origin."

This is a reciprocal agreement. I do not know how the Legal Department of the Government of India . . . .

Sir Cowasji Jehangir: Is that in existence now?

Mr. President: The Honourable Member should learn from past experience that it does not pay to interrupt this speaker.

Sir Cowasji Jehangir: I take your advice, Sir.

Diwan Chaman Lall: This question of the trade agreement was contemplated by Sir George Rainy, and if my friend wants to ask a question he should ask it of the Honourable Member over there who himself raised the question of the trade agreement. If there is any trade agreement between the British Empire and the Japanese Empire, it was for them to consider. I want a reply from them. Have they considered this point? The question, a very important question, that arises in connection with this is this. We have now considered—and I hope I have proved—that Japan and Lancashire have no advantage over us either in the case of raw material or in the case of yarn, or in the case of labour conditions, or in the case of cost of labour. In fact, they are at a disadvantage. If all these factors are put together, they are at a disadvantage, because the total cost of production compared with our total cost of production on these heads acts as a prohibition against them and not against us. It is to their disadvantage and not to our disadvantage. In fact, India has a great advantage over Lancashire and Japan in regard to these particular matters. The question which now arises is this. We have had figures worked out for us by Mr. Hardy in his report and the figures that he has worked out are these. He says these are the import price figures, these are the Japanese figures and here are the Indian figures. Now, as far as I know—and I speak subject to correction—those figures that Mr. Hardy has worked out, the import price figures of the Japanese goods are figures which are *minus* the duty and therefore to that extent vitiated. The figures are to be found in this book (Hardy's Report) and if Honourable Members would turn to pages 88-89, they will find that it is intended by this process to equalise the price rates of Japan and India, not only to equalise but in some instances to obtain a definite advantage for India as against Japan in regard to the prices prevailing of Japanese goods in India. Take the case of the price of Japanese imported cloths whose prices are without duty. They are taken to be 16, 17, 18, 19 and 20. The price at which similar cloth is made in Bombay with a fair margin of profit ranges from 18 to 23 annas. Now

the question is this. These are really controversial matters, because we do not know how these figures have been arrived at. We do not know what is and what is not a reasonable margin of profit. We do not know how these figures were reached. We do not know on what basis the price of the raw material was worked. We do not know whether the market rates of cotton were taken or the average price of cotton was taken, cotton which was in the mill stores. We do not know which mill's costs of production were accepted and why. And unless and until all these facts are before us in regard to the question of the comparison of the cost of production, we are not in a position to accept the figures given by Mr. Hardy on which he wishes to bring forward his proposition of equalisation of rates. If those figures can be worked out, then there would be a case made out on facts and figures comparing the Japanese prices and comparing the Indian prices, the Japanese cost of production and the Indian cost of production. I submit, unless and until all this is done, the House cannot be asked to vote blindly for this measure. It is no argument to turn round and say, we have not paid any dividends and therefore you must support us. As I have already stated, they have paid out enormous dividends and they must realise that in every industry there is a period of boom and a period of depression. In a period of boom a wise businessman husbands his resources and an unwise businessman did not husband his resources and he now comes to us and asks us to help him. On page 27 of the Tariff Board's Report there is a statement in regard to up-country mills, which I wish to read out to the House:

"Efficiently managed mills in upcountry centres which have both spinning and weaving departments have with very few exceptions continued to pay dividends throughout the whole of the period. All the five mills in Sholapur, the most important centre in the Bombay Presidency outside Bombay and Ahmedabad, have paid satisfactory dividends throughout. Of the twelve mills in the Madras Presidency for which we have obtained balance sheets all except three very small mills, which are spinning mills only, have paid dividends, as have also the two mills in Mysore. Of the two mills in Nagpur, one is, as it always has been, in an exceptionally strong position and the other, a new mill which started work at the end of 1923, made a profit during the year ending 31st March, 1926, though it was not in a position to declare a dividend. The position in Cawnpore is not quite so satisfactory. Of the four mills in that centre from which we have obtained balance sheets, one paid a dividend in 1923, 1924 and 1925 and one in the two latter years. Of the others, one is a new mill started in the war period and the other a boom flotation."

That is one of the troubles with this industry.

"The largest mill in Delhi paid a dividend of 32 per cent. for 1925. The leading mill in Indore paid a dividend of 47½ per cent. for 1924 and a dividend of 31¼ per cent. for 1925. These figures are sufficient to show what was generally admitted in evidence we received that upcountry mills with the exception of those which have spinning departments only are, generally speaking, in a much better position than the Bombay mills."

Then further it says:

"It is important to note that the Ahmedabad Millowners' Association in their oral evidence stated that their demand for 12½ per cent. protection was not limited to the same grounds as those advanced by the Bombay Millowners' Association but was mainly on the general ground of the desirability of protection as it would enable the mill industry in this country to establish itself firmly in the manufacture of finer qualities of cloth."

This is what the Honourable the Finance Member says. What he says is, we will give them this protection and we know perfectly well that they

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will not be in a position to organise their industry in that period in order to produce the finer counts—an argument which he used in favour of Lancashire. Now, if this is the position, let us look at the latest figures. Many of them have not paid a dividend. But non-payment of dividend is not an important factor in this industry. A few of them may lose. But barring a very few minor losses, enormous profits were made by many of them in the boom period. Take for instance Ahmedabad's. In 1928 they paid 20 per cent. dividend; in 1929, 21 per cent. Take Central India; in 1929, 26 per cent. and in 1928, 28 per cent. Indore, 26¼ per cent. in 1928 and 20 per cent. in 1929. Mysore, 24 per cent. in 1928 and 20 per cent. in 1929. Sholapur, 52½ per cent. in 1928 and 35 per cent. in 1929. Sir, there are some mills, better managed mills, which have husbanded their resources, who are in a good position. There are others who are not in a very good position. But I submit that there is no case made out whatsoever. It is for them to put their own house in order. That is the best protection they want. In fact, what is wanted is not protection against Lancashire and protection against Japan but protection against the millowners of this country. That is what is at present needed in order to put the industry on a proper basis. It is obvious that Japan has only this advantage over us, that Japan is in a position and has been in a position to put its house in order. Japan can do what we have not done, namely, Japan has organised this industry. My friends have read Mr. Arno S. Pearse's book and this is what he says:

"It will be noted that members of the Employers' Association are obliged to supply most comprehensive particulars and statistics very promptly, at fixed and stated dates. This ensures that such information is up-to-date and enables prompt action to be taken. Coupled with the fact that approximately 70 per cent. of the spindles and 65 per cent. of the organised looms are owned by nine combines, it will be seen that control of the industry is much more possible and effective than is the case in most other competing countries."

When in 1927 I asked Sir George Rainy when he was putting up the price of cotton yarns, what guarantee there was that the millowners of Bombay would not compete and thus handicap the handloom weaver in this country, the reply of Sir George Rainy was that there was no such developed organisation amongst the millowners which would enable them to take this joint action. Nevertheless, prices did go up, and here is a charge against the millowners. There is no central control or organisation capable of effecting the necessary amount of reorganisation required in order to put this industry on a proper basis to compete with Lancashire, Japan or any other country.

Now, Sir, further, Mr. Pearse says:

"This organised control extends from the buying of the raw cotton to placing the manufactured goods in the hands of the consumers. New styles and patterns which appeal to buyers can be produced and delivered promptly. Policy generally in regard to buying, selling, counts of yarn spun, types of cloth manufactured can be quickly determined and concentration secured in every process to ensure the best results. How flourishing the Japanese cotton industry is is shown by the financial results."

That is because of this intelligent, scientific, central control of the industry from the very first process right up to the last, from the purchase of the raw material to the marketing of the manufactured produce. There is no such thing in Bombay. We have not heard of any; all that that

the millowners have done is to cut each other's throats; all that they know is *laissez-faire*—to let things go their own way until a calamity comes and then come on the floor of this House and demand protection. Japan has been able to compete because she realises that the man who produces the wealth of the industry is the mill hand, the operative in the mill who must be looked after; she has been able so to organise her industry so that she can today declare prosperous dividends, whereas our friends in Bombay are unable to do so. The Japanese realise that the worker who produces the wealth has got to be trained and has got to be well treated, because, unless and until that worker is well treated, his productive efficiency is bound to go down. Have our friends in Bombay or in any other mill area in India ever considered the problem of the efficiency of the worker? All that they do is this, if a man is engaged on two looms, they want to put him on four looms, and if he refuses to work, they want to cut down the wages, with the result that they have lost tremendously through strikes. If they had been wise, if they had organised their industry properly, scientifically, if they had treated their workers well, if they had done everything to improve the efficiency of the worker, and not merely getting more out of him, so that he can give you voluntarily more work, by so educating him that he would be able to give his best to your industry, if you had done all that, there would have been no need to demand protection. It is, Sir, as I started by saying, a subsidy that we are giving to inefficiency, and I would be the last person, Sir, absolutely the last person on the floor of this House, to be a party to this bargain between the Treasury Benches on the one side and the millowners on the other, at the expense of the consumer. I say it would be criminal on the part of any man who honestly and sincerely believes that this country is impoverished, who really believes that the poor man in this country cannot afford to pay any more for his cloth than he is made to pay, for which he and his children may have to go without food, any man who believes in this doctrine would be committing a criminal folly in saying, "Help this industry at the expense of the consumer". My argument is this. I am dead against this imposition by indirect taxation upon the consumers of this country, and I want every Member of this House to search his heart and realise whether he is on the side of righteousness and of the poor man, or whether he is on the side of the rich man and of his incompetence. I want him to say this, whether he believes that his country is going to prosper merely because a handful of our great industrial magnates are going to prosper, or whether he believes that prosperity really lies in raising the standard of life of the average man in this country. The problem is that India has a market at its door with 320 million people who can be supplied with all their needs, India has its raw material at its door, India has the cheapest labour at its door, and yet India is unable to compete with Lancashire and Japan—a proposition, Sir, which on the face of it is absurd. I say that in the circumstances we have no business to subsidise incompetence. Here is a further final proof of it. When in 1924-25 the index number of raw cotton was 272, the price of greys was 4 annas 10 pies; from 272 the index figure has dropped to 167 in 1928-29, and yet the cost remains the same 4 annas 10 pies. With the cheapest raw material with this tremendous drop in the price of it, with wages not having gone up during that period, why have not the millowners been able to reduce

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their cost of production? What is wrong with them? What is wrong with them, Sir, is this, they have this Government at their mercy, and this country is at the mercy of this Government, and the Government will have to bow down at the bidding of the industrial magnates of this country. Let them remember—even Sir George Schuster referred to it—the two factors—the consumer on the one side and labour on the other, and I want them to get this guarantee from the millowners of this country, that they will safeguard the interests of the working classes before any assistance is given to them, but the only guarantee that I can ask in regard to consumer in this country is to ask every Member of this House to vote down this motion at every stage. (Applause.)

Mr. A. H. Ghuznavi (Dacca Division: Muhammadan Rural): Sir, while speaking the other day, I pointed out the difficulty of making the deaf hear. It is very difficult for me today to make the blind see. My friends over there (*An Honourable Member*: "Where?"), my friends, the Bombay millowners, are blind; they will not see that they are not getting anything at all by this protection. They are like a drowning man who wants to catch at a straw. Whatever is offered to them, they think it is coming to them as protection. I ask them seriously, do they think that this protection of 5 per cent. against Japan is a protection to them? It is not; and I will demonstrate clearly that Government did not for one moment think of giving them this protection. Political necessity urged them to start with this proposition. Sir, we are obliged to them for letting us know the telegrams that passed between the Government of India and the British Government. These telegrams will demonstrate clearly that Government never, for a moment, thought about giving this 5 per cent. protection for this industry. They never thought of such a thing when they first sent up their budget proposal. They wanted revenue and they sent up proposals for taxation. When the Home Government saw that the Government of India wanted to raise the cotton import duty from 11 to 15 per cent., they got funked. They found that it would practically smash the Lancashire trade with India. They wired back to say pointing out "firstly there is a probability that such addition to duty would be likely to raise the price of goods in India itself; that was the first point they urged, that is, from the consumer's point of view they did not like to raise the duty up to 15 per cent." Then they said that such raising of the duty would be "to the great detriment of the poorer classes generally in that country, and secondly, addition to duty would have a disastrous effect here at this moment—an effect which the Cabinet feels sure that you and your Legislature do not desire to create". At this moment when there is talk of Round Table Conference and conferences of all sorts, they were afraid that, if you penalised Lancashire by raising the duty from 11 to 15 per cent., you would be creating an atmosphere in that country which would be detrimental to your interests. The whole thing was there. There was no protection to Bombay. They wanted to raise the duty to 15 per cent. because they wanted revenue. I do not believe there was any protection in it. I do not believe that at all. When the telegram came here, they found themselves in a hole. They must have passed sleepless nights as to what they should do to pacify the British people, particularly Lancashire. Then they thought, "Ah, the Bombay mills want protection".

1 P.M.

Mr. Fazal Ibrahim Rahimtulla (Bombay Central Division: Muhammadan Rural): Not Bombay. It is the mill industry.

Mr. A. H. Ghuznavi: The rest of India did not want that protection.

Mr. R. S. Sarma (Bengal: Nominated Non-Official): How?

Mr. A. H. Ghuznavi: I am not giving way. Then they said, "We particularly appreciate the telegram from the British Cabinet". Formerly the communication used to come from the Secretary of State; now we have got it from the Cabinet. (*An Honourable Member*: "Dominion Status in action.") It has not come yet. Then they said this: "Well, we are anxious to have more revenue and the tariff duty is the only source of our revenue. We are afraid we cannot reduce it from 15 to 11. We will suggest one thing, and that is we shall propose an additional 5 per cent. on non-British goods. But the difficulty will be lest it should be misunderstood as Imperial Preference. Well, we shall do one thing. We shall take the House into our confidence and tell them in what a serious plight the Bombay mill industry is, and in the interest of the mill industry, it is for them to accept it or not. If they throw it out, we shall not certify it. The Bombay industry needs an immediate injection as it were of camphor or strychnine to keep it alive. They have been telling us that the Bombay industry has been in a very bad plight for the last six months." Now, Sir, if this was so, I ask, "Why did you not bring in this Bill three months before? Why did you not introduce this in January? Then we would have trusted in your sincerity to help the Bombay industry". Even when you sent in your first proposals, you never mentioned about this 5 per cent. It is after you had got a telegram from the other side that they would revolt if you did not do something for their protection, that you suggested this additional 5 per cent. on non-British goods. Now, the point is this. They were finding great difficulty in competing with Japan. My friends here say that Bombay has been utterly inefficient in its management. In Lancashire too they have been utterly inefficient in their management. They found that the Indian market was being daily captured, as against Lancashire, by Japan. Naturally they were very much annoyed, and they were told, "Look here, if we get the Assembly to pass this 5 per cent., this will give you real protection as against Japan." But what is the guarantee that Japan will not raise her price and still dump in the Indian market? It will cost the consumer an anna per head more for each piece of cloth that he will have to buy. Sir, I do not like to repeat here the history of how the hand-loom industry was snatched away from this country in the interest of Lancashire. It was when you, gentlemen, came to this country . . . .

Mr. President: Order, order.

Mr. A. H. Ghuznavi: . . . . when the handloom industry was flourishing here, and we could produce all the wearing apparel necessary to cover our nakedness. Gradually, in the interests of Lancashire, you have killed the handloom industry in India. Now, you are conspiring with the Bombay millowners to kill the handloom industry which we have revived in 1905. Sir, in the good old days, Bengal used to take the lead in all matters. That great man, Mr. Gokhale, who was a Member of the Imperial Council in 1905, addressing His Excellency Lord Curzon said:

"My Lord, what Bengal thinks today, the rest of India will think tomorrow. Pacify Bengal and the rest of India will be pacified."

[Mr. A. H. Ghuznavi.]

Now, the tables are turned. Pacify half a dozen mill magnates of Bombay, and the rest of India will be pacified.

Then, Sir, explaining the other day, the Honourable the Finance Member said to this House that, in practice, all the Dominions had introduced a system of tariffs which did give very substantial preference to British goods. That was one of the arguments why we should also concede this tariff. In Australia the difference between the general and the preferential tariff was 15 per cent., and so on and so forth. Sir, we have not yet got Dominion Status. When we have got that, we shall know that you and we are the same, and we will give you all the preference you want. Sir, in this connection, before I proceed to show that this protection will not help Bombay, I will read only one sentence from the speech which was delivered the other day by my friend, Mr. Devi Prasad Khaitan. As President of the Indian Chamber of Commerce, he said:

"The only way by which the troubles could be overcome (*referring to the Bombay troubles*) is to provide a scheme by which the Bombay cotton mills could be enabled to take to finer counts."

I hope my Bombay friends will take that advice. That is their trouble. They should also take into account what he says further on:

"This can only happen if adequate protection is also given against Lancashire. If Lancashire is not brought within the scheme, it is impossible to devise any means by which our industry can stand. The figures that I have given you bring forth the matter so clearly that I think any further argument is not necessary. As I understand the Government's scheme, I have come to the deliberate conclusion that, under cover of offering protection to the Indian cotton mill industry, what really is being done is to give protection to Lancashire at the expense of India, against the other countries of the world."

I will repeat this sentence for the benefit of my Honourable friend Mr. Mody once again: This is a protection, under cover of offering protection to the Indian cotton mill industry, to Lancashire alone and nobody else.

Sir, before we can proceed further, I desire to say that it will be desirable for this House to know what is the real trouble which this Bombay cotton industry is suffering from.

Mr. President: Is it the same thing that Diwan Chaman Lall has already said?

Mr. A. H. Ghuznavi: No, Sir; I have got something different. Sir, the Bombay cotton mill industry was originally started and built up entirely for export trade. China was their biggest market for buying their yarns, and East Africa was their biggest market for selling their sheeting cloth. I hope my Honourable friend Mr. Mody will not contradict me when I say this. They used to have a roaring trade with China in their yarns. Never for a moment did they apply their mind to capture the Indian trade. Never for a moment were they patriotic and never for a moment did it strike them that it was their first duty to make apparel which their Indian brethren would purchase. No, they only wanted to make money. No patriotism and nothing was of any account so long as they could make money. So, they were having a very good trade with China and they were very happy. Afterwards several mills throughout the country were started, but they could not compete with Bombay for the simple reason that Bombay had a port, and so they could not compete in the export

trade. If Ahmedabad mills wanted to send their yarns to China, they had to send them on to Bombay. They had to pay the railway freight to Bombay and again pay freight from Bombay to China. Of course, Bombay could undersell them. But besides Bombay, the rest of the mills then concentrated their attention on supplying the Indian market, and they have been doing it successfully. China so long was in deep slumber and they were having their supply from the Bombay magnates.

Mr. President: That is very old history.

Mr. A. H. Ghuznavi: That is the trouble. I will come to the point just in two minutes. They have now 70 mills in China. (*An Honourable Member*: "Have they?") Yes, they have. They said to our Bombay friends, "We wish you good bye". And the result is that Bombay has lost the China trade entirely. How will you protect them by giving protection? If my Honourable friends from Bombay want to get out of this hole, they will have to find out some other hole in some other place to capture their export trade in yarns. So far as yarn is concerned, the Bombay magnates have not captured the Indian trade in yarn. On the other hand the Indian trade has been captured by other mills. Where are they going to sell their yarn? Not to China. The same applies to sheeting in the East African trade. Japan used to import her sheetings from Japan to Bombay first and then export them from Bombay to East African ports and so forth, because Japan then did not have her own steamships plying direct. Therefore my Honourable friends in Bombay had an advantage over Japan which had to pay freight from Japan to Bombay and then from Bombay to East Africa. The Bombay mills used to ship their own goods from Bombay direct to East Africa and therefore they could undersell them. Now, Japan, instead of importing the sheetings first to Bombay and then re-shipping them to East Africa, is sending them direct to East Africa. So there also they have lost the East African trade. They cannot compete. How could they fail to compete? What is the distance between Japan and East Africa and the distance between Bombay and East Africa? They pay less freight from Bombay and still they cannot compete with Japan. Then they come here with the beggar's bowl and say that we should give protection to them. Well, Sir, in 1927 a Committee was appointed to go into these matters of Bombay trouble. It was called the Noyce Committee and we have got the Report of that Committee—the Indian Tariff Board's Report. The Tariff Board was against giving any protection whatsoever on yarns. The Tariff Board was definite so far as that was concerned. They said, "If you give protection on yarns, that will raise the price of yarns, and thus the handloom industry will suffer" (Hear, hear), and it did suffer as I will show you presently. The clamour of Bombay millowners, I must say, did not move the Honourable the Commerce Member to give them any protection at all. In his mind, I am certain, he is convinced that these Bombay people do not deserve any protection, do not deserve any sympathy. In his mind of course he does think so. (*An Honourable Member*: "How?") I will tell you how he does not like to give protection. I am sure of that. (Laughter.) In his mind he does not probably want to give it. In 1927, in spite of all the pressure put upon him, he would not budge an inch. He said, "No, you had better put your house in order first and I am not going to give you protection and ruin Lancashire's trade". The Bombay people wanted protection on piece-goods, and this was the attitude of the

[Mr. A. H. Ghuznavi.]

Honourable the Commerce Member in 1927. But, Sir, the difficulties in India are very great, and this is particularly so with the Finance Members of the Government of India. In 1927, Sir, Sir Basil Blackett had a hobby of going through the Reserve Bank Bill. That was in September, 1927.

Mr. Vidya Sagar Pandya (Madras: Indian Commerce): It had the sympathy of the Honourable Member.

Mr. A. H. Ghuznavi: Certainly it had. His idea was that, if the Bombay magnates would help him on to get his Bill through, the millowners' troubles might be considered. The millowners said: "Oh yes; but what about our protection? Give us something in lieu of our assistance".

Mr. President: The Honourable Member suggests bargaining on the part of the Government?

Mr. A. H. Ghuznavi: Yes, Sir.

Mr. President: That is not proper.

Mr. A. H. Ghuznavi: Then, I will not suggest it, Sir.

Sir Hugh Cocke (Bombay: European): Was it a dream?

Mr. A. H. Ghuznavi: So, Sir, Sir Basil Blackett said "It is not in my hands".

The Honourable Sir George Rainy (Member for Commerce and Railways): May I ask the Honourable Member if he would disclose the source of his information. All I can say is it sounds to me very like a dream. The facts must have been known if they were as stated, and they are not known to me.

Mr. A. H. Ghuznavi: It is only my inference. (Laughter.)

Mr. Fazal Ibrahim Rahimtulla: Was it your inference or information?

Sir Darcy Lindsay (Bengal: European): The Honourable Member should not waste the time of the House on inference.

Mr. A. H. Ghuznavi: However, Sir, the Honourable Member, in spite of the Tariff Board's Report not to give any protection on yarn, five per cent. duty on yarns was imposed. Before I deal with that portion again, I will say that, by imposing this 5 per cent. protective duty on yarns again, he is putting 70 lakhs of weavers into trouble, of which 50 lakhs are Mussalmans. (Hear, hear), and by doing that, he is trying to ruin the handloom industry.

Mr. President: How many Mussalmans? 75 per cent.?

Mr. A. H. Ghuznavi: 50 lakhs are Mussalmans out of 70 lakhs of weavers.

Mr. President: More than 70 per cent.

Mr. A. H. Ghuznavi: Yes, Sir.

Mr. President: A very substantial representation.

Mr. A. H. Ghuznavi: A very good representation in losses! By doing that the worst sufferers are my friends in Bihar and also the Mussalmans in Bengal.

Dr. A. Suhrawardy (Burdwan and Presidency Divisions: Muhammadan Rural): The Momands?

Mr. A. H. Ghuznavi: We are the worst sufferers, and in Madras also the handloom weavers suffer.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Does the Honourable Member mean to say that the Mussalmans in Bengal are all weavers?

Mr. A. H. Ghuznavi: I would not be ashamed of that. Instead of loafing about, it is better to be in some trade. Sir, Japan used to provide these handloom weavers with yarn, because the yarn which our friends from Bombay provided them with did not suit them at all. They preferred to buy Japanese yarn to buying the yarn supplied by the Bombay millowners. You imposed an additional duty of 5 per cent., with the result that, in two years, the handloom industry, which was supplying you to the tune of 23 per cent. of your cloths, was paralysed and this duty has affected that community and their trade by raising the duty on yarn.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): This Bill will help them now.

Mr. A. H. Ghuznavi: It will not. Pardon me for saying so. I will show how it will not.

Mr. M. A. Jinnah: It will.

Mr. A. H. Ghuznavi: As a matter of fact, the price will rise. Mr. Jinnah, this is not a High Court where you are addressing the Judges.

Mr. President: Order, order.

Mr. A. H. Ghuznavi: The Honourable Member is not addressing a High Court in a criminal case. He is addressing the commercial people . . . .

Mr. M. A. Jinnah: All that I wished to point out to the Honourable Member was this, that whatever injury the first Tariff Bill may have caused to the handloom industry, this Bill is advantageous to them. That is all I wish to say.

Mr. A. H. Ghuznavi: With all the respect that I have for my Honourable friend, I must say that this Bill will add further trouble, and I will demonstrate it. From the figures I will show that the industry is going down for raising the 5 per cent. duty on Japanese yarns. You are introducing that thing for another three years again now. This Bill contains that. You want them to impose that duty again for another three years. They were not content with imposing it for two years, but they want another three years without investigating how far, by the imposition of that duty, the handloom weavers have been made to suffer. The handloom weavers' lot is a bad lot and nobody seems to care for them. Sir, my Honourable friend, Mr. Neogy, in opposing that Bill in 1927 said:

"I was particularly reminded of the remarks made by the Tariff Board that it is not a case merely of competition with Japan so far as the Bombay mills are concerned, but it is also a competition from places outside Bombay."

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That also has got to be taken into consideration. He also said:

"We might be landing ourselves in difficulty because a time might come when the Bombay mill industry might ask for protection against the rest of India."

He was quite right. The time will be coming for getting this protection, and they will be encouraged to come forward at the next Assembly for protection against Ahmedabad and the rest of India.

Mr. President: The Honourable Member must reserve some observations for the last stage.

Mr. A. H. Ghuznavi: I have not made my case quite clear yet. I shall require at least another hour if you will permit me.

Mr. President: The Leader of the Honourable Member's Party had told me that he would ask his friends to be as brief as possible.

Mr. A. H. Ghuznavi: I do not know that, but I think I have been making only relevant observations in this matter.

Sir, my friend Mr. Mody will not deny that the Indian cotton mills produce three classes of goods, (1) bleached or white, (2) coloured, and (3) greys. I will take the period between 1927-28 when they had not that strike, and I will not weary the House by quoting from Hardy's Report, but will only refer to the page so that Mr. Mody may not say that this is a note which I have written myself without any authority. Let us take the first class of goods, *i.e.*, bleached or white:

Imports into India from (page 57 and Table 31)—

The United Kingdom	527 million yards.
Japan	6 „ „

and they want to impose a 5 per cent. additional duty against Japan not to export that 6 million yards only to compete with 527 million yards sent by Lancashire.

Imports from the Netherlands	8 million yards.
„ „ Switzerland	12 „ „
„ „ Other countries	3 „ „

So they want to shut their door to all other countries except the United Kingdom, who only export to India 29 million yards as against 527 millions exported by Lancashire.

Mr. President: I hope the Honourable Member will now try to finish as soon as possible.

Mr. A. H. Ghuznavi: I am afraid I cannot finish before another hour. This is a subject which I have carefully studied, and unless you give me another hour, I will not be able to finish it. I can assure you that no other Member from my party will speak.

Mr. Anwar-ul-Azim (Chittagong Division: Muhammadan Rural): I should like to say something

Mr. A. H. Ghuznavi: Sir, any ordinary man who is not blind will see that, under this protective duty of 5 per cent., the price is bound to go up, and the consumers will have to bear the burden. Who are the consumers of this class of goods? The poor people. What do they get as

their income? Four rupees per head per month; and do you know what more they will have to pay by the imposition of this extra 5 per cent.? One anna per piece of cloth that they will have to buy. Then, Sir, coloured goods (p. 65). Production in India, Bombay in particular, 579 million yards, and adding the production of the rest of India it is 700 million yards. As against this, the imports from the United Kingdom, 364 millions or 72 per cent. Continent 37 millions or 7½ per cent., Japan 103 millions or 20½ per cent. Now, Sir, the House will bear in mind that the imported coloured goods are of finer counts. The imported coloured goods are of finer counts.

Mr. President: The Honourable Member must not repeat.

Mr. A. H. Ghuznavi: Therefore, Lancashire competition is with Japan. The Indian mills do not and cannot produce goods of these finer counts and we have entirely to depend for these finer counts in our import trade. This 5 per cent. extra protective duty, therefore, will eliminate Japan's competition with Lancashire in India, and the consumer will have to pay a higher price. To my Muslim friends, I may say that they will suffer most in regard to the *lungi* trade. *Lungis* are not at all made in India, except in Burma.

Mr. Vidya Sagar Pandya: Also in Madras.

Mr. A. H. Ghuznavi: Very little in Madras.

Mr. Vidya Sagar Pandya: They are made in Madras and exported to Burma.

Mr. A. H. Ghuznavi: I have got the figures here, but I do not want to weary the House. *Lungis* are mostly used by the Mussalmans in Bengal, the Punjab and Bihar. They are exported to this country (p. 66); Holland 9 millions, United Kingdom 9 millions, Netherlands 2 millions—altogether 20 millions. The imposition of this extra 5 per cent. duty will raise the price of *lungis* by 5 per cent. If Holland is driven out as a result of this protective duty, the price of the *lungis* is bound to go up.

Then, Sir, the grey goods. These may be classified as under. First, Khadi. The Indian production is only 5 per cent. No import from Japan, and therefore no competition from Japan. Drills and Jins. Hardy's Report shows that Indian mills can hold their own against the Japanese imports, which are now reduced to a negligible quantity. Sheetings and "T" cloths which Bombay used to produce on an extensive scale and export to East Africa, which trade they have now lost. This protection will not bring back their export trade. Printers and tent cloth. There are no imports at all. *Chaddars*: no imports from Japan. *Dhotis*, sheetings and longcloth; more than 75 per cent. of the Indian output is under 25 counts. In respect of *dhotis*, Lancashire competes more severely than Japan with India. That I have shown already by what Lancashire sends out and what Japan sends out, particularly in counts between 30 and 40. Shirtings. From Mr. Hardy's Report, one sees that Japan has gained at the cost of Lancashire. Now, Sir, these duties, 4 per cent. for revenue purposes and 5 per cent. as protective duty, will make the price of yarns go up in sympathy with the prices of piece-goods.

There is another matter, and that is, Japan is the biggest importer of raw Indian cotton inasmuch as she consumes 40 to 50 per cent. of the total Indian export and the United Kingdom consumes only 5 per cent.

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If Japan retaliates, the Indian cotton market will be in difficulty and what does it mean? Again the poor cultivators. The question again comes in of the poor man of the country. They will not be able to sell their cotton at a higher price than they do to Japan.

Then the pig iron. . . . . .

Mr. President: Is there any chance of the Honourable Member finishing by 2 o'clock?

Mr. A. H. Ghuznavi: I should like to have a little more time. I will finish it in another 20 minutes. I can come back after lunch and finish.

Mr. President: If the Honourable Member promises to finish within 20 minutes, I will adjourn.

Mr. A. H. Ghuznavi: Yes, I do.

Mr. President: The House stands adjourned till 3 o'clock.

The Assembly then adjourned for Lunch till Three of the Clock.

The Assembly re-assembled after Lunch at Three of the Clock, Mr. President in the Chair.

Mr. A. H. Ghuznavi: The point I was dealing with when the House adjourned for Lunch was with regard to Indian pig iron. Japan takes Indian pig iron to the tune of 70 to 80 per cent. of the total export. On the last occasion when a 5 per cent. duty was imposed on cotton yarn, Japan contemplated retaliating by withholding her purchase of pig iron, but eventually she did not take that step. Before I proceed, Sir, I want to place before this House what an impartial critic has said about this protective duty. He is not a Mussalman, he is not a Hindu, he is not a Bombay man.

Mr. Fazal Ibrahim Rahimtulla: Not a Bombay man?

Mr. President: Then, how can he be impartial? (Laughter.)

Mr. A. H. Ghuznavi: It is the *Statesman* of Calcutta. The *Statesman* of Calcutta, commenting on this duty in a recent editorial, said:

"The millions of Indians who suffer from these accumulated duties and get no recompense have long been waiting for a voice to tell their wrongs, and they have seemed to wait in vain so far as their representatives in the Assembly were concerned."

Then the paper said:

"We do not adopt the language of Mr. Chaman Lall about the 'third generation of incompetents' running the Bombay mills, but we are wholly with him when he says, "Every poor man who wears a *dhoti* or a shirt will have to pay more for this Bill". There never was a measure which was more clearly an endowment of incompetent direction and ridiculous finance or one that levied more directly a heavy tax upon every member of the community to bolster up an industry that would prosper were it properly managed."

Commenting on the speech of Sir George Rainy, it said:

"Sir George Rainy said that 'Government approached the question from the point of view of giving effect to the declared policy of discriminating protection with due regard to the interests of the consumer and benefit to the industry.' We should like to take Sir George Rainy, line by line, through the Bill, and get him to point out the provision which has 'due regard to the interests of the consumer'. Phrases of that kind have become hackneyed in these debates. They drop from the lips of Ministers unconscious that they have no meaning and have long ceased to deceive anybody. The consumer will pay every one per cent. of the new duties and will pay it not only upon foreign cloths but upon indigenous manufactures. Both Sir George Schuster and Sir George Rainy defend the new duties as necessary for revenue purposes. If they prove revenue producing, they will fail to give the protection for which Bombay clamours, and if they prove protective, the revenue will not be raised."

Sir, my Honourable friend Sir George Rainy, while introducing the Cotton Tariff Bill in 1927, told us that it was necessary to give Bombay protection on yarns, because labour conditions in Japan were unequal as compared with India, inasmuch as women and children were employed at night. He now comes before the House to give the same protection to yarns for another three years with another story. This time, not Japan but China. He says, labour conditions in China are unequal as compared with India, and therefore he wants this protection to be extended for another three years. I have no doubt after this, next time, if he is in this present office, he will come with another story—that labour conditions are unequal in Timbuctoo, and therefore he wants the extension of this 5 per cent. tariff on yarn for another three years. Sir, he pointed out to this House the enormous imports from China of yarn, and he said that had to be stopped, and that is why he wants this protection to be extended for another three years. But he has not told us the reason for that enormous import. The reasons are these. After the strike in Bombay, the mills were shut up. If the Chinese had not sent their yarn, just imagine what would have been the consequence in India to the handloom trade. China took advantage of the strike and dumped their yarn into the Indian market. If the Bombay mills continue their manufacture, I am certain the Indian market can very well compete with China in the cotton yarn trade. Then, Sir, our friends, the Bombay millowners, want us to give them this protection.

Mr. Fazal Ibrahim Rahimtulla: Question.

Mr. A. H. Ghuznavi: Particularly Bombay; other parts do not require it.

Mr. Fazal Ibrahim Rahimtulla: Question.

Mr. A. H. Ghuznavi: Read what Sir George Rainy has said.

Mr. Fazal Ibrahim Rahimtulla: Oh! yes, I have read it.

Mr. A. H. Ghuznavi: Sir, as I have shown, the trouble is due to the loss of trade with China in yarn and to the loss of trade with East Africa in sheeting.

In 1905, Sir, when the Swadeshi movement was ushered in in India, particularly in Bengal, as a protest against the partition of Bengal, the Bengal people, as a whole, refused to buy Lancashire goods, and they appealed to the Bombay cotton millowners to come to their rescue. From 1905 to 1915 let us see how we were treated by the Bombay millowners for our patriotism. In 1905, during the Swadeshi period, when the handloom industry was almost extinct, that industry was again revived. We appealed to Bombay to come to our help. We knew that they were not then in a position to supply the whole demand that India made upon Bombay, but still we thought that they would do what they could to help

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us and give us relief. But what did they do? They raised their prices by four times the ruling prices. They sold their goods at a huge profit. Not satisfied with that, they bought up all the Japanese cotton goods that were in the market, tore off the front portion of the first yard, marked them as "Made in India" (*Cries* of "Shame"), and sold them to the Bengal market at four times the price. (*An Honourable Member:* "Is it so"?) Yes, it is so; I am quite certain about it. I can give you figures if you like. Not only that, Sir. They conspired with Lancashire and Japan. (*An Honourable Member*: "Shame.") Not satisfied with this even, what more did they do? They wrote back to Lancashire and Japan asking the manufacturers there to send out to Bombay unfinished goods, because if they got finished goods in Bombay, they would not be able to pass them off as Indian goods in the Indian market, and so they wrote to their manufacturers in Lancashire and Japan to send out to Bombay unfinished goods. The millowners in Bombay asked the Japan and Lancashire manufacturers to send out to Bombay rough and unfinished goods as much as they could. Lancashire began to send out to Bombay rough and unfinished goods; Japan also took the fullest advantage of our patriotism. The Bombay millowners received all those rough and unfinished goods; they finished them well in their mills in Bombay, and sold them to us in Bengal at four times the price at which they had bought the goods. Now, I ask my friends, the Bombay millowners, I ask them in all seriousness, what right have you to come with a beggar's bowl today before us and ask for protection of your mill industry? What did you do with that enormous amount of money that you made, not honestly, but I must say dishonestly, from the Indian market? Where has that money gone to? Of course, I know where it has gone. The hereditary Managing Agents made enormous commissions in buying and selling those goods. Then lest they should be tackled by their shareholders—the hereditary managing agency system is a peculiar system which does not exist in any other part of India,—they gave huge dividends to their shareholders, without even thinking for a moment that that was the time when they should put their money into their concerns and make them up-to-date and tackle the question of meeting the demand from the Indian market as a whole. If the Bombay millowners had put all that money into their mills at that time, if they had tackled the Indian market, if they had gone on producing finer counts, today Lancashire and Japan would have been kicked out of India *in toto*. But, Sir, they did nothing of the kind. The Managing Agents made their piles; they went on enjoying all the expensive cigars; they went on enjoying the Turf of Bombay and Calcutta; and they went on enjoying themselves in that salubrious climate, where they have built their palaces and mansions and villas, in France. They never looked into their business. They left it to their employees, and when the rainy day has come, they come to us with a beggar's bowl and say to us "Give us protection".

Dr. A. Suhrawardy: Rainy day or Sir George Rainy? (Laughter.)

Mr. A. H. Ghuznavi: Even then, Sir, they will have our sympathy (Hear, hear.) They treated us very badly indeed, but we are willing to give them support, but not support of the kind that they want. This is not support to them, this is support to Lancashire. This is not going to help them at all; they are blind and they will not see it. But before we

give our Bombay millowners the support, and show them the way by which they can again get back to their former condition of prosperity, they must give us a clear answer to all the indictments that have been passed by the various Committees that sat upon them to inquire. They should explain their conduct before the Tribunal of this House; they should explain to us as to what they have done to rectify the various defects that have been pointed out to them. I ask them, Sir, not to conspire with the Treasury Benches. (*An Honourable Member* from the Independent Benches: "Hear, hear.") I ask them, Sir, not to conspire with the Treasury Benches, not to force us to give them the so-called relief, the result of which they will realise to their cost afterwards, but I ask them, to come back to us like good boys and give us the undertaking that they will be in a position to carry out the necessary reforms to enable them to tide over their difficulties. Then and then only will we suggest to them the remedies.

Sir, my Bombay friends will have to admit that this depression commenced in the year 1923. What was the first cause of the depression? Gambling in the cotton trade, gambling in the cotton market in 1922, has really been the first cause. My friends gambled more than the mills paid them, and they made their mills suffer heavily on that account. Their huge gambling in cotton, their attempt to corner cotton in 1922, in which they suffered irrecoverable losses, all these have been written down in the books of their mills, although they were really losses due to the personal speculations of the Managing Agents. That is the first indictment, and for that I have some authority which will speak for itself. I am not speaking without authority.

The next cause is this, Sir. They conspired with Japan and Lancashire during the Swadeshi time; that is between 1905 and 1910, and they did not seize the opportunity to capture the Indian market. Had you done so, you could have enjoyed the expensive cigars and your villas in France; you could have captured the Indian market. and it coming before us with a beggar's bowl in hand for protection, you . . . . . .

Maulvi Muhammad Yakub: Sir, is the Honourable Member in order in addressing the Honourable Member directly?

Mr. A. H. Ghuznavi: I am addressing the Chair. I am not addressing the Honourable Members.

Maulvi Muhammad Yakub: The President has no villas in France.

Mr. A. H. Ghuznavi: Sir, you are charged with putting into your pockets (Laughter) as Managing Agents enormous sums of money by way of commissions on sales and purchases alone. You have been utterly negligent of your duties as Managing Agents in respect of your shareholders.

Maulvi Muhammad Yakub: Is the Honourable Member in order in making such remarks against the Chair?

Mr. A. H. Ghuznavi: To keep your managing agency intact and to avoid unpleasant inquiry into your management, you paid unduly high dividends. During the boom period, if you had taken large sums of money into your reserve, as every prudent managing agent would have done, that would have come to your assistance today. During the boom period your over capitalisation has contributed to accentuate the depression. Serious

[Mr. A. H. Ghuznavi.]

defects have been found in the managing agency system. Undue conservatism and lack of initiative have contributed materially to this depression. The real cause of your trouble is the loss of the China trade in yarn and that export trade you cannot get back unless you can get hold of some other ports, not by protective duty.

Mr. President: Order, order. It is too much for the Chair. The Honourable Member must know how to keep to his word.

Mr. A. H. Ghuznavi: I will take only two or three minutes more. The increasing competition of Ahmedabad and other centres is another cause of the present depression. Your difficulty is of a cyclic character and is not of a permanent nature. The depression due to the loss of the China yarn trade may be regarded as permanent. As regards the utter inefficiency of your management, I will only refer you to page 209, paragraph 41, and page 211, paras. 70, 71, 76 and 77 of the Report of the Indian Tariff Board. Sir, the unusual haste in passing an Act of this kind is to my mind not right. I thought the Government had a lesson when they passed the great Sarda Act. I therefore say that hasty legislation is always unsafe and should not be resorted to. The Finance Member is not in the House now. He said, in his speech the other day, that it is for us to decide whether we agree to this protection. Do I understand from what he said that he meant that the official block is not going to take part in that decision? If that is not so, then what is the point in saying, "It is for you to decide". So far as the official block is concerned, they have already decided. If they leave the matter to the non-official Benches to decide, I have no grievance. I hope I have made my case very clear before this House. First I have made out . . . .

Mr. President: Order, order.

Dr. L. K. Hyder (Agra Division: Muhammadan Rural): Mr. President, I have listened to very long speeches on this Bill. The temptation in my way is strong that I should also deliver a long speech, but let me say at the outset that I do not propose to yield to that very very strong temptation. I shall take up only a few points to illustrate the principles of the Bill. When the principle of the Bill has been obscured so much, I think it is right and proper that we must bring it out again. What is the principle of the Bill? Simply this, that we wish to give discriminating protection to a national industry.

Mr. A. H. Ghuznavi: Question.

Dr. L. K. Hyder: My friend questions that I will give him an answer. This industry is of importance if we look at the totality of national interests, in which are included these factors—the purchaser, the consumer, the exchequer and the worker. If you consider all these interests, then I submit this industry is of national importance. And the question that we have to decide is, is it in need of protection? As this thing has been questioned, I have in my hand, Sir, a book which shows the value of the exports of cotton piece-goods sent from Japan to foreign countries during the period of 1916 to 1925. I do not propose to read out this formidable array of figures, but as I look at the figures and the countries to which Japan exports, the following catch my eye; China, Korea,

Hongkong, British India. As I come down the list of these countries, I find them in this order of magnitude: First and foremost is China and second is British India. What, Sir, is the principle of the Bill? It is that a national industry should be protected. And this is the deluge of goods that has descended upon British India from Japan. The total value of piece-goods sent to British India during the years 1916 to 1925 was as follows:

1916	. . . . .	10	million yen.
1917	. . . . .	15	„ „
1918	. . . . .	55	„ „
1919	. . . . .	29	„ „
1920	. . . . .	67	„ „
1921	. . . . .	30	„ „
1922	. . . . .	33	„ „
1923	. . . . .	36	„ „
1924	. . . . .	46	„ „
1925	. . . . .	70	„ „

In the face of these values of goods that come to British India, still it is being asked, does this industry need protection or does it not? I have placed these figures before the House so that Members might come to a right decision whether, in view of these figures, there can still remain any manner of doubt about the need for protection which this industry requires. Certain hard things have been said about the people who manage our industries. One of them is that they have squandered too much in dividends and that they ought to have kept it for the lean period. But when I compare what was distributed in Japan with what was distributed in British India, there is not much to choose, and if this House finds any consolation in them, I will give them the figures.

Mr. A. H. Ghuznavi: But Japan does not go with the beggar's bowl.

Dr. L. K. Hyder: My friend says Japan does not go with the beggar's bowl. He is quite ignorant of the happenings in Japan. What happened in Japan was this. In the first place, they secured the home market entirely for themselves behind the wall of protection. In the second place, from behind that wall of protection they invaded the markets of other countries. That is what is happening in Japan, and I would ask my friend to think over it for himself whether it is the beggar's bowl or something else.

Sir, I was going to touch upon the point that our industrialists have squandered what they ought to have conserved. In Bombay the dividends were at this rate:

In 1917 at the rate of		22·2	per cent.
In 1918	„	23·7	„
In 1919	„	40·1	„
In 1920	„	35·2	„
In 1921	„	30	„
In 1922	„	60·4	„
In 1923	„	4·9	„
In 1924	„	3·2	„
In 1925	„	2·2	„

[Dr. L. K. Hyder.]

With regard to Japan, I will give double figures for each year, for the first half and the second half of each year:

	First half.	Second half.
1917	29·65	37·2
1918	36·34	39·79
1919	38·92	44·80
1920	40·65	14·31
1921	12·35	10·97
1922	17·32	14·72
1923	12·68	6·36
1924	10·25	10·39
1925	10·93	7·39

If you compare them and look at them, there is nothing much to choose between them.

Then, it has been said that the Bombay Industry is heavily over-capitalised. I have worked out, that the average capitalization per spindle in Bombay is Rs. 42·2, and in Japan it is 56·67 yen, which is equivalent, at the rate of 100 yen to Rs. 132, to an average capitalization of Rs. 74·8 per spindle. That is the story about the over-capitalization, about which so much point has been made. I must admit, Sir, that we have undoubtedly certain defects, and I have been thinking over this matter to find out why it is that a country, which grows no cotton but imports it and a country which imports so much cotton and turns it into piece-goods in such quantities for export, is able to undersell us. Well, Sir, the answer to that question, so far as the material aspect of it is concerned, is in one word, namely, that they are highly organised. So far as the psychological aspect of the matter is concerned, the answer also is in one word, namely, it is their ambition to expand at the cost of our country. The principle of this Bill is that they shall not expand, at our cost, nor shall they expand at the cost of any constituent member of the British Commonwealth of Nations. That, Sir, is the principle of the Bill which commends itself to this side of the House. It is true that the Japanese cotton industry suffered a heavy set-back. About one-fifth of their spindlage was destroyed by the earthquake of 1923, but they set about it and in 1924 they had more than made good, and from that time they have expanded and expanded.

Now, if we look at their organisation, whether it is in the matter of the purchase of the raw material or otherwise, you will find that 80 per cent. of the cotton which comes into Japan, comes from a close combine of three companies, one of which is working in our country. Now, it is not a pleasant fact for me to mention that the cotton which is grown on the vast and varied plains of Hindustan should be shipped by a Japanese Company to the United Kingdom. That is not a fact of which my friends on my left or the group to which I belong are at all proud, namely, that this cotton, which grows in India, should be shipped to another part of the British Empire from a country within the British Empire by a non-British concern. It is not a fact on which I would like to dwell. Although I must say that it goes against the grain, still as a British subject I have got to take notice of the fact that one huge concern the Nippon Menkwa

Trading Company is shipping cotton to the United Kingdom. Our merchants—Indian or English—perhaps, what shall I say? (*An Honourable Member*: "Incompetent.") (*Another Honourable Member*: "Unpatriotic.") I shall not say anything. Let them take note of these facts. I will leave them at that. As regards localization, it is true that the Japanese people are in the same difficulty as we are, but they are gradually working their way through out of these difficulties. Their industry also is localised in Osaka. They are trying to move out of that district of Osaka and go to another district with equal port facilities and with cheaper land. We are still harping upon this thing, and have done nothing so far in seeing to it that we are not found at the wrong place. We should spread out in other directions and at different places at which we have got much greater facilities as regards the cost of the land, raw materials and other facilities.

As regards marketing, Sir, I again find that cotton goods are exported to the extent of 80 per cent. by a huge combine of these three firms of which the Nippon Menkwa Company is a very strong member, and they are exporting cotton goods to Persia. Well, Sir, we are very near Persia. Geography should help us, perhaps ethnography should help us. Commercial intercourse should help us. Still they are working their way up, while we have done nothing so far.

I desire now to go into another matter, and that is the question of Imperial Preference. I want to illustrate what I have to say by referring again and again to the principle of the Bill, namely, of discriminating protection, and this matter of Imperial Preference comes within this principle, that where we have nothing to protect, we shall discriminate as between those with whom we have an infinity of business and those with whom we have no manner of business whatever. That, Sir, is the principle of discriminating protection, as applied to the sources from which the manufactured goods come into this country. Again when we take into account the case of the consumer, that principle applies, that is, that he shall not pay very much and he shall not be overburdened to an extent that is not justified either by the needs of the exchequer or by the case of the producer. That explains why this duty of 15 per cent. is there on British goods. Sir, a fear has been expressed that thereby there shall be created a monopoly. To my mind it appears that there can be no fear of a monopoly. Monopoly of what? There is always this 20 per cent. and anybody can jump over that barrier of 20 per cent.; so that there is no monopoly. Again, it was said that prices will rise excessively. Of this there is not much fear, because if country "A" has displaced country "B", it can only do so if it undersells country "B". On the general question of Imperial Preference, let me quote, Sir, the very wise and weighty words of a Commission in which the majority were Indians. The Report from which I am quoting is the Minute of Dissent signed by Members who justly occupy a very distinguished place in the public life of this country. The opening words are:

> "We recognise that Imperial Preference is a means of strengthening the ties amongst the Commonwealth of Free nations."

Then sentence No. 2 is this:

> "The exchange of trade amenities not in a spirit of bargaining, but as a free gift, has the effect of cementing the bonds amongst the free nations forming that Commonwealth."

[Dr. L. K. Hyder.]

Sir, I do not desire to discuss or take into consideration at all the business side of this question of Imperial Preference. But I desire to leave this question of Imperial Preference at these wise and weighty words which were penned by, and honoured by the signature of, distinguished Indians. This is what they say again: (*An Honourable Member*: "Page please.") (*Another Honourable Member*: "Names, please.") You want names. What is there in a name? I am quoting from page 192. I have already read the opening words of the chapter on Imperial Preference. Again, if it becomes a matter of dogma, this is what they say:

"It may well be argued that whilst subscribing to the principle of Imperial Preference our conclusion leads to the postponement of its application to the time when India attains her full status in the Commonwealth." (Hear, hear.)

What is it they subscribe to? They subscribe to the principle of Imperial Preference. Application is quite different from subscribing to that principle. We are doing precisely the same thing, namely, that we are following in the footsteps of these distinguished countrymen of ours, and secondly that, apart from this advance in constitutional position of this country, tariff-making power is undoubtedly in the hands of this Assembly, and this Assembly possesses the right to initiate, to withdraw, to grant or to vary any measure of Imperial Preference introduced into this Legislature. It is not my intention, and I do not wish to be drawn into a polemic because thereby you will kill all the fine things which centre round this proposal. Believing, Sir, that this principle of discriminating protection works through and through every clause of this Bill, from these Benches, I desire to give support to this Bill.

Sir Darcy Lindsay: Sir, before commencing to deal with the Bill, I would like to draw your attention and that of the Members of the House, to a circular letter that was placed in my hands in the lobby signed by Mr. Kawaguchi, Agent Japan Spinners' Association, Osaka, Japan and as dealing somewhat fully with this matter under discussion. I would not have drawn particular attention to this document, which I consider to be in particularly bad form, but it was handed to me by an accredited agent or official of the Central Muslim Group. I am quite sure their Leader could not have been aware of this. (*An Honourable Member*: "Who is that accredited agent?") I think he gave his name as Ranbir Singh. He informed me that he had been instructed by the Secretary of the Central Muslim Group to pass this document round.

Mian Mohammad Shah Nawaz (West Central Punjab: Muhammadan): I deny that absolutely.

Sir Darcy Lindsay: I think it is most improper of this gentleman, Mr Kawaguchi, to have circulated any such document in the lobby of the House to try and secure the votes of the Members of this House. I think, on the other hand, that by his action he has influenced votes the other way.

Mr. President: Then what is the Honourable Member's complaint?

Sir Darcy Lindsay: My complaint is that this document should have been passed round in the lobby of the House by the agent of a foreign country to influence our votes.

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): May I know if there is any convention that no papers should be distributed by any officer or clerk of any party?

Sir Darcy Lindsay: It appears to me that that is an incorrect course to pursue, and that is why I have drawn attention to it.

Now, Sir, the main point at issue, from which some of the speakers seem to have wandered very far afield, is this question of the 5 per cent. preference, which it is proposed to give to the Lancashire goods. I do not think it can be argued that this is really in the nature of Imperial Preference. The real reason for this 5 per cent. difference between the foreign countries and Lancashire is in order not to tax, and unduly tax, the consumer in India. It is a well known fact that Lancashire goods, or a large proportion of them, are of higher counts than the goods at present being manufactured in India, and the whole desire of this measure is to give the Indian mills protection against other countries in order that they shall better be enabled to start the manufacture of higher counts and compete with Lancashire herself. I maintain that, at the difference of 15 per cent. which there will be as against Lancashire, the Indian mills have got every possibility and every prospect of manufacturing these higher class goods and selling at a lower rate than Lancashire can import at. But if this extra 5 per cent. were removed entirely and Japanese goods or Italian goods were allowed to come into India at the 15 per cent. duty, then I am very much afraid that the Bombay mills and the mofussil mills would not stand very much chance of competing in that market.

A good deal has been said against the Bombay mills, in fact that has been the whole discussion. These poor unhappy Bombay mills have, to put it in vulgar parlance, got it in the neck. Now, Sir, at one time I was under the impression that it was the Bombay mills who are the only mills that were really suffering. But I have lately, within the past few months, received information from other sources, from up-country centres, that they are feeling the pinch every bit as much as Bombay. There is this insidious introduction of goods from a country that is able apparently to spin and weave at a lower cost than we can do, and it is to protect India against this encroachment that this Bill is introduced. If we look at the effect of what the measure means, I find that from the United Kingdom the increase up to 20 per cent. on grey goods, *i.e.*, 15 per cent. and the 3½ annas per pound on grey goods will produce, assuming that the goods still arrive, additional revenue of 28 lakhs. On other higher count goods at the 15 per cent. duty, the additional duty of 4 per cent. will produce 148 lakhs, or a total of 176 lakhs. From other countries the additional 9 per cent. will produce 114 lakhs, or a total of 290 lakhs additional revenue, assuming the imports to be the same as in the past. But we well know that, with these increased duties, the imports will very considerably fall away, and the Indian mills will come into their own and be able to sell their production. Take the other figure. If the higher count Lancashire goods were taxed with this additional 5 per cent. for which it is desired they shall receive protection, it would produce a further revenue of 185 lakhs, and the whole of that would fall on the people of the country, and without any particular benefit to the industry of the country. It is on these grounds that I think this protective measure is most necessary.

Mr. A. H. Ghuznavi: Will it not raise the prices?

Sir Darcy Lindsay: I do not see how it will raise the prices. Lancashire desires to sell her goods and why should she raise her prices? She did not raise the price in the past.

Mr. A. H. Ghuznavi: But you are killing the competition and that is bound to raise the prices.

Sir Darcy Lindsay: If you talk about competition, there was one matter that I did not like at all, and that was the attitude of Japan which was made clear by the disclosure a few days ago by my Honourable friend, Sir Purshotamdas Thakurdas, who on the 7th March last read out extracts from a telegram saying:

"Strong report believed reliable Japan selling cloth heavily, guaranteeing to pay buyers extra protective duty, if any levied . . . "

Then again:

"Also believed Japanese Government may give bounty if duty levied. Reported 7,000 bales business done."

That, Sir, is an indication of what Japan will do to wreck the national
4 P.M. industry of India. (Hear, hear.)

My Honourable friend, Diwan Chaman Lall, disputed with my Honourable friend, Mr. Mody, that this was a national industry. My Honourable friend, Sir Purshotamdas Thakurdas, however does consider it a national industry, and so do I, and I am sure that a very large majority of the Members of this House also do consider it so. Here is an industry that is using up the cotton grown in your country, is providing your people with the cloth they wear, is giving employment to many of your people, and if that is not a national industry, I do not know what is. Are we going to hand over the national industry to a foreign country? I say, no. (Interruption.) But unless you accept a measure such as this Bill, your cause is lost. We have heard a great deal of Bombay and the misdeeds of Bombay. I know my Honourable friend, Mr. Mody, squirms every time the expression is used, "Put your house in order". But I will not treat him so unkindly. I will say to him, Sir, turn over a new leaf, (Hear, hear.) and adopt new methods. My Group, in giving their support to this Bill, wish me, in fact my mandate is, to impress very strongly on my Honourable friend, Mr. Mody, that we do want Bombay to take all measures that are possible to bring up the industry into that prosperous condition we all desire to see it in.

Now, Sir, my Honourable friend, Mr. B. Das, if I understood him rightly, mentioned the fact that there was no import of Indian cotton into Lancashire.

Mr. B. Das: Very small.

Mr. A. H. Ghuznavi: Only 5 per cent. of the total export.

Sir Darcy Lindsay: The figures that I have taken out show that, in the year 1926-27, the value of Indian cotton imported into the United Kingdom was 154 lakhs; in 1927-28, 289 lakhs and in 1928-29, 443 lakhs.

Mr. B. Das: How does it compare with Japan?

Sir Darcy Lindsay: I am not going into that matter, Sir. But if you wish to have the figures, I should think it is about a sixth of the total that is imported by Japan. I only wanted to point out to the Honourable Member that some of his statements are not always as accurate as we should like to have them. He is no doubt a very clever engineer. But dealing in cotton he shows ignorance. (*An Honourable Member*: "Put his house in order.") Yes, I wish he would.

Now, my Honourable friend, Diwan Chaman Lall, went to great length in referring to what he described as the enormous dividends that were paid by these wicked Bombay mills or mill agents, and he read from the Tariff Board's Report the dividends paid from 1917 to 1925, a period of 9 years, amounting to 177·9 per cent! This enormous figure, gives, Sir, the average of 20 per cent. on the paid-up capital of the companies. Now, Sir, it he had referred to page 141 of the same Report, he would have found that these dividends, worked out on an original cost of 47 crores, amounted to 80 per cent. only, on an average of 9 per cent. But I want to be fair to my Honourable friend. (*Honourable Members*: "He is not here.") Never mind, in his absence I will be equally fair, and to accept his argument let us take the depreciated value of the block. This is thirty crores and the average will work out at 15 per cent. Is that considered such a very extravagant rate of interest to pay to your shareholders? I regret I am not in agreement with him.

Mr. M. A. Jinnah: What has happened since 1925?

Sir Darcy Lindsay: Nothing, Sir, no dividends at all since 1925. If we do not accept this measure, and the industry is killed in India—and it undoubtedly will be, because this peaceful penetration is going to make it more and more impossible for the mills up-country—Bombay will be killed in the first instance and the peaceful penetration will proceed up-country—if this national industry goes, where will my Honourable friend, Diwan Chaman Lall, be with his workers? His dream, Sir, of self-government will disappear entirely, and we will be at the mercy of this other nation, who will be able to dictate such prices as they may desire to impose. Sir, he made an impassioned appeal on behalf of the starving millions. But to my mind he gave his case away when he offered an unholy alliance with my Honourable friend, Mr. Mody, to support the increased duties if the mills would give him and his workers 50 per cent. of the profits that they made by this measure.

Diwan Chaman Lall: Sir, on a point of personal explanation. The Honourable Member is wrong in two particulars. First of all, I never asked my Honourable friend, Mr. Mody, to give me 50 per cent. Secondly I never offered to support him. I merely asked him whether he was prepared to give a guarantee.

Sir Darcy Lindsay: When I say, "give him", that is figuratively speaking. But my Honourable friend appeared to be satisfied that he would support the measure if my Honourable friend, Mr. Mody, would give him an assurance to the effect that, out of these excessive profits, taken from the millions, taken from the poor people of the country, the workers are given a share. He would thus be prepared to sacrifice the masses for the sake of his workers. That is what it appeared to me, Sir, to be.

[Sir Darcy Lindsay.]

Sir, there is a good deal in some of the points brought out by my Honourable friend, Diwan Chaman Lall, and if in this new reconstruction which we hope my Honourable friend Mr. Mody and his friends will undertake, they could get Diwan Chaman Lall into their conferences, it appears to me that, as a leader of labour, he could give a great deal of help. Rightly or wrongly, Sir, I have formed the impression that the mill labour in India is not as efficient as it is in other countries. It may be perfectly true, as Diwan Chaman Lall says, that labour is neglected in certain directions. If with his assistance, that neglect can be remedied and the mills can get a hundred per cent work for the hundred per cent. that they give in wages and comforts, then it appears to me, there will be greater prosperity for the industry. On the whole, Sir, I commend this measure to the House. I again repeat that, in my view, it is not, as made out by some of the speakers on the other side, wholly Imperial Preference. It is not Imperial Preference as such. It is a preference for one particular object only, and that is to keep out the stranger, and endeavour thereby to assist the Bombay and up-country mills to improve their manufacture, first of all, in what one might call the middle counts, and thus remove what is at present the biggest defect in increasing the selling power of the mills, and later on, they may go even to finer counts. With these words, Sir, I commend the Bill to the House.

Mr. M. R. Jayakar (Bombay City: Non-Muhammadan Urban): Sir, I am very thankful to you for giving me a few minutes to have my say on this question, because I may not be here at further stages of this debate. Sir, I am approaching the question from a layman's point of view. My Honourable friends will forgive me if I do not touch this question as if it related only to so many million yards coming from one country and so many million yards coming from another. In my opinion it is not only a question of such figures. I am looking at it, Sir, as an ordinary layman who has a certain political vision, and who judges such questions on certain well recognized tests. If I were to scan the nature of the debate which has taken place on this Bill so far, I would say, Sir, that on both sides of this controversy there has been a misunderstanding of the point of view of those who are opposed to this Bill on the simple ground that it involves Imperial Preference. I shall not, Sir, quarrel with the expression "Imperial Preference". I am only using it as a very convenient way of conveying my ideas. Possibly it is not Imperial Preference in the strict sense in which Dr. Hyder would have it. I am content to call it discrimination in favour of British goods, if that will satisfy technical experts. There are two points of view which have been urged before this House, namely, that of the millowners, and the other of those who are opposed to Imperial Preference, I do think that these two might have been reconciled at an earlier stage. I, Sir, a humble Member of this House, tried to have the two points reconciled, and I do maintain it is still possible to have the two points reconciled, but unfortunately we are living in an atmosphere in this House, Sir, when Government feel that, with the help of the millowners, their position is so strong that they need not listen to any proposals of compromise however reasonable. I attempted to have a talk with a Government Member, who with great politeness told me that he was very busy. I am therefore not moving any amendments, Sir, for I have no hope of any such

amendment being accepted in this atmosphere. But I do propose to put before this House a few considerations. These possibly would have had more weight if the House had not been so unevenly divided as it is at present. Speaking for myself, Sir, I should have liked very much to respond to the note which was struck by Sir George Schuster in his speech, and which was couched in the following words:

> "It is obvious that any gesture of friendship which India can spontaneously and without compulsion make to the British Government in their present great industrial trouble is bound to strike a responsive note."

Speaking for myself, Sir,—I am not committing my party to it—I say that I should have liked to respond to this note, if the Government had made it possible. I am very anxious, Sir, to indicate, so far as my humble voice can reach across the oceans that, having regard to the eventful things which are expected to happen within the next few months, we on our side are willing to respond, provided the Government make it possible. I should therefore have liked to have one year as the period for this Bill, so that we might have reviewed the position again at this time next year, before which date the expected events would have happened. I was anxious that we should give England some opportunity to prove the *bona fides* of the appeal the British Cabinet has made. Supposing, Sir, this Bill was confined to only one year, we would have given the opportunity to England to prove that she really wanted to play the game and was really anxious to do something for India at the next opportunity. I do not like to use the expression "Round Table Conference" for in the events which have happened and since the date of its announcement, that expression has acquired an uncertainty of occurrence, but it is clear that at the proposed confabulation between the representatives of India and England, whether it is at a round or a square table, important constitutional issues will be settled; and I am willing to agree that both countries should create an appropriate atmosphere for it. I should therefore have agreed, if it was possible to do so, that this Bill might go forth for one year only with the united vote of this House as an opportunity to England to prove that, in making this appeal to India, she was in earnest. I know, Sir, that I will be criticised in many quarters for expressing these sentiments, and for desiring to prove, as I wished to do, that when India has Dominion Status, it will very judiciously use its economic privileges so as not to do any injury to the people of England, consistently with India's welfare. ("Hear, hear," *from the European Group.*) From this point of view, Sir, it was eminently desirable to arrive at some such compromise as I have indicated but the Government, in the full consciousness of their strength, have not made it possible. I shall not therefore tire the House by speaking long on this part of my case. I have said enough to make clear my own confession of faith on this question.

Now, the other point of view is this, that as coming from Bombay I quite agree with my Honourable friend, Mr. Mody, that a grave necessity exists for giving protection to the mill industry. I agree with the main points made in his speech by Diwan Chaman Lall, My only difference with him is this, that he chose the wrong occasion for making that speech. This Bill was not the time for making that speech, raising acrimonious controversies between capital and labour. However, I am glad, that he has spoken and made such a brilliant speech. I do hope my Honourable friend, Mr. Mody, will profit by what Mr. Chaman Lall

[Mr. M. R. Jayakar.]

said. I am bound to say, Sir, that, in the past many millowners of Bombay have shown great apathy to the well-being of their operatives. I personally have been a witness to such apathy. I am therefore glad, Sir, that Diwan Chaman Lall has voiced the point of view of labour. I do not belong to any labour organisations, though my sympathies are entirely with what Labour does in a constitutional manner to improve its position.

Now, Sir, coming to the most important question of Imperial Preference, there again I am confessing my own faith. My own view is this, and I voiced it on the last occasion when the same question was before the House in connection with the Steel Protection Bill when we had not the benefit of the presence of Sir George Schuster in this House. At that time, the House will remember, we were told exactly what we are being told now. That Bill, Sir, very cleverly, and surreptitiously introduced the principle of British preference, just as this Bill does. At that time my own view was shared by many Members of this House, and that was, that we should not accept British preference, although it involved giving protection to a necessitous national industry, namely, the steel industry of India; on this main ground some of us voted against that Bill, as the Honourable Members are aware. The position today is exactly the same. We are entirely in favour of giving protection to the mill industry of India. Speaking on behalf of the Benches to which I belong, there is not one amongst us, who will say that this industry should not receive full protection. But the question arises, Sir, whether it will be wise for us to give it at the sacrifice of a very valuable economic asset,—I call it an economic asset—namely, India's power to accord Imperial Preference. I regard, Sir, the power of consuming things which 320 millions of Indians possess as a very valuable asset. The power of India, with all her poverty, to consume through her 320 million inhabitants the goods of this world, I regard, as a politician, as a very valuable economic asset whose value is especially in the hands of a poor country like India, something like the solitary rupee in a poor man's pocket. We know India is a very poor country, and as such, the power of her inhabitants to consume the goods of the world, which constitutes her trade and commerce, is a very valuable asset. I am therefore very anxious that she should not fritter away this economic asset for small concessions here and there. Today a part of it is frittered away for the protection of the steel industry; tomorrow another part of it is frittered away for the protection of the mill industry, and before long another industry may have to be protected on similar grounds. We will thus fritter away in driblets the entirety of this economic asset in our hands for the protection of one industry after another. I am anxious, Sir, that when India sits across the bargain table, with freedom to make dealings as she chooses, she should be able, with the aid of the whole of this asset, to adjust her economic relations in a spirit of give and take for a full price for this asset. In other words, I want to have an adequately big price for that. My opposition to Imperial Preference does not arise, as may be supposed in certain quarters from a hatred of England or from a desire to injure England or her trade. My opposition is based purely on economic and political grounds, and I am one of those who would retain this economic privilege, in his hands, whole and unimpaired, till the day of free bargaining comes. I want to keep this asset absolutely unfrittered by small concessions now and again for the protection of the industries of this country, which it is the duty of any Government, which calls itself the Government of this country, to protect. I want to preserve this asset like

a good bargainer in my hand until we come to that conclave where I can say to England and the Empire, "Give me the full price for preference for your goods and I will agree to it". I see nothing wrong, Sir, in one country accepting a preference in favour of another country. It is commercial bargaining which goes on everyday in all our departments of life. It is a business proposition. I do not think that the principle is vicious; I do not think that it is even unpatriotic. But, Sir, in the present dependent position of India and especially in the present constitution of this House, which cannot be said to be truly representative of non-official India, with the official block sitting there with their nominated colleagues,—I mean no offence to anybody,—we cannot accept this principle without danger of underbidding. I would like to deal with this principle when this House is fully representative, *i.e.*, when it is wholly elected. (*An Honourable Member*: "It may be too late.") Sir George Schuster pointed out the case of the British Dominions; he cited the case of Australia; he pointed out Canada, he mentioned South Africa. My short answer to Sir George Schuster is, "Let India become a self governing Dominion like Australia, Canada and South Africa, and we shall give you Imperial Preference". I am anxious that that day should come very soon, and I have no doubt that it will very soon come, looking to the march of events in the country. When India will become like South Africa, we shall certainly then bargain not only with England but with other parts of the Empire as well.

Sir Hugh Cocke: It may be too late.

Mr. M. R. Jayakar: I don't think so. Therefore, my confession of faith is this, that in the present state of the House and in the present dependent condition of India, and also having regard to the price that we are getting, if my millowner friends will forgive my saying so, we are frittering away a very valuable privilege like the poor man who has only one rupee in his pocket, and in his hunger and dependence is unable to judge how he should spend it, whether one anna in gram, another anna in groundnuts and so on, instead of keeping the rupee tightly in his hand in order to make freely a good bargain. That, Sir, is the reason why I am opposed to Imperial Preference. And speaking for myself, again, Sir, I am anxious that we should hasten the day when we shall be able to decide this question in a spirit of freedom. I entirely appreciate the observation of Sir George Schuster who said, "We want this House to decide for itself". We are thankful to Government for this attitude, and we should decide this question in a spirit of freedom. I shall once more repeat that this House is unlike the Legislature of a free country; it cannot be said to enjoy complete freedom. Nor is India yet in the position of a Dominion. Therefore, Sir, all talk of analogy gathered from other Dominions is absolutely out of place. We should therefore be careful not to barter away a valuable possession for a small price; I am anxious that when the time comes, as it is bound to come in the near future, we should get the fullest price, and as we sit across the table, ask Canada, "What are you prepared to give to India for the sake of preference?"; or ask South Africa, "Are you prepared to take my nationals on terms of complete political equality? If so, I will accept your coal on a preferential basis." So also we would tell Canada. "Are you prepared to treat Indian religions with decorum and respect? If so, I will accept your apples and oranges on preferential tariff". I want to reserve this liberty to myself and I want to keep this asset in my hands to be able to bid

[Mr. M. R. Jayakar.]

effectively. When the day of that liberty is reached, then, with the force of public opinion behind me, and guided by the one impulse of patriotism, and national self-respect I have faith that I would get for India the full price for Imperial Preference. Let us wait till that day arrives.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Mr. President, my Honourable friend, Mr. Jayakar, in his usual eloquent and impressive manner, asked us to keep tight,, like the poor man, the last rupee in our hands, but, Sir, I feel like the poor man who has got a rupee in his hand but who has been starving for the last one week, and the question now before me is, am I to part with a part of that one rupee, so that I can get some food and live, or am I to sit on that one rupee and face certain starvation and death. That is the position in which the Indian textile industry, is placed today and in the few observations that I intend to make, I do not propose to look at the question from the point of view of a politician, but from the point of view of a practical man who is faced with facts.

Mr. M. R. Jayakar: Is not a politician a practical man?

Mr. R. K. Shanmukham Chetty: As my Honourable friend the Commerce Member said the other day, the principle underlying this Bill is simple, namely, whether the Indian textile industry ought to be granted some protection. In discussing that principle, I would like to follow the excellent line of argument adopted by my friend Diwan Chaman Lall, in his very brilliant and masterly speech, but a line of argument leading to conclusions very different to those that my friend drew from it. I propose to look at the question from three aspects—does the Indian textile industry require and deserve protection, secondly, is the scheme of protection proposed by Government adequate and effective; and thirdly, what is the effect of the proposed British preference on the Indian textile industry? I propose to confine my remarks to these three aspects of the question arising out of the present measure.

Whatever my friend, Diwan Chaman Lall, and adherents of free trade might say to the contrary, I am convinced, Sir, and it does not require very much argument to convince at least the majority of Honourable Members of this House, that the Indian textile industry, in which over a hundred crores of Indian money are invested, in which over 400,000 Indian labourers are employed, and which supplies a vital necessity for the Indian people, is certainly a national industry. I do not think arguments are needed to convince Honourable Members of this House that the Indian textile industry is a national industry. It can be proved that this great national industry is in a perilous state and would simply be killed if adequate protection is not granted. That the Indian textile industry needs protection has been amply proved by the findings of the Textile Tariff Board and also by the Report of Mr. Hardy. It has been the contention in India, Sir, that we are suffering from unfair competition on the part of the Japanese textile industry. At the time the Tariff Board reported, after elaborate inquiry they came to the following conclusion:

"The third test is that of unfair labour conditions, and here we think that the element of unfairness undoubtedly exists."

At the time the Tariff Board reported, the Board was satisfied that unfair labour conditions existed in Japan, and my friend Diwan Chaman Lall asked this House to believe that, at least now, such unfair conditions have disappeared. What has happened in Japan since the Tariff Board reported? Their new factory law came into operation on the 1st July, 1929; but I maintain that, in spite of the coming into operation of the new factory law, labour conditions in Japan are still unfair. My Honourable friend Mr. Mody referred to the Washington Convention, and my friend Diwan Chaman Lall flung at him a bulky volume containing the Washington Convention. I have got the Washington Convention here in a more handy form and what do I find? One of the articles of the Convention is this:

"Women without distinction of age shall not be employed during the night in any public or private industrial undertaking, or in any branch thereof, other than an undertaking in which only members of the same family are employed."

Diwan Chaman Lall: The Washington Labour Convention is the hours convention and the Honourable Member knows it perfectly well.

Mr. R. K. Shanmukham Chetty: My friend construes the Washington Convention in that restricted sense when it suits him. Now, Sir, this convention was adopted in Washington in 1919. What is the definition of the term "night"? For the purpose of this convention, the term "night" signifies the period of at least 11 consecutive hours, including the interval between 10 o'clock in the evening and 5 o'clock in the morning. My submission to this House is this that, neither in spirit nor in letter, has Japan adhered to this convention.

Diwan Chaman Lall: Has India done so?

Mr. R. K. Shanmukham Chetty: India has done so.

Diwan Chaman Lall: The Honourable Member knows perfectly well that there is no legal sanction to that particular convention as far as India is concerned.

Mr. R. K. Shanmukham Chetty: I am surprised to hear my Honourable friend Diwan Chaman Lall making that statement.

Diwan Chaman Lall: It is made on the authority of the Government of India.

Mr. R. K. Shanmukham Chetty: I am surprised to hear that the Government of India should have made such hasty statements as my friend Diwan Chaman Lall. I said that Japan, neither in spirit nor in letter, has been following this convention even from the 1st July, 1929.

Diwan Chaman Lall: This is what the Government of India themselves say:

"Article 7 of the Convention has not been formally applied to any part of India and the Government of India were under the impression that, in practice, a rest period of full eleven hours, as required by the Convention, was being secured for women operatives. Recently however it has come to notice that this is not the case."

Mr. R. K. Shanmukham Chetty: I would give my Honourable friend a statement from the Tariff Board's Report. Comparing the adherence of Japan and India to the Washington Convention they say:

"In India the employment of women and children by night is entirely prohibited."

What is the effect of the so-called adherence of Japan to the Washington Labour Convention? It comes to this, that they employ women and children under 16 years in night work between the hours of 11 P.M. and 5 A.M. That gives them 18 hours in the day, with the result that they work two shifts of 9 hours, with half an hour interval, employing women and children under 16 years of age. That is the unfair competition that exists between Japan and India even today.

Diwan Chaman Lall: How would that be unfair if the wages are higher?

Mr. R. K. Shanmukham Chetty: Now, my friend is shifting his ground.

Diwan Chaman Lall: Will the Honourable Member explain how it is unfair if the wages are 1½ times the wages here.

Mr. R. K. Shanmukham Chetty: I take it that the Honourable Member agrees that, so far as the application of the Washington Labour Convention is concerned, Japan is competing unfairly with India.

Diwan Chaman Lall: I have already informed the Honourable Member that the Government of India themselves say that it is not so, as far as India is concerned. . . . .

Mr. R. K. Shanmukham Chetty: I do not care what the Government of India say. The Tariff Board has definitely found that, even after the new factory law has come into operation in Japan, there still exist unfair conditions of labour in Japan, and the conditions about which the Tariff Board spoke in 1927 exist even in 1930.

Diwan Chaman Lall: Where is the unfairness, if the wages are higher?

Mr. R. K. Shanmukham Chetty: Sir, so far as the unfair competition is concerned, it certainly exists. Now, what are the other arguments that my Honourable friend Mr. Chaman Lall used to show that the Indian textile industry does not deserve protection? He took page 20 of the Tariff Board's Report, where there is a table in which is given, from the year 1917 to the year 1925, the percentage of dividend to the paid up capital. He added all this up, and came to the conclusion that, in 9 years, the Bombay textile industry gave away 177 per cent. of its paid up capital in dividends. Well, when I listened to my Honourable friend Mr. Chaman Lall's harangue on this point, I was inclined to think that it would do good to read the whole of a report instead of reading only a part of it. Now, this argument of my friend was advanced to show that, as compared with Japan, Bombay was extravagant in distributing the dividends during this period.

Diwan Chaman Lall: No.

Mr. R. K. Shanmukham Chetty: Then my Honourable friend agrees that Japan was equally extravagant in those days.

Diwan Chaman Lall: My point was this, and the Honourable Member knows it perfectly well, that India has distributed dividends amounting to

177·9 per cent. during these years. Therefore the industry can stand on its legs. If, instead of distributing that money, they had conserved it, they would have been better off today.

Mr. R. K. Shanmukham Chetty: My point was that, from 1917 to 1925, there was a boom throughout the world, and if Bombay has given 177 per cent., the Bombay textile industry was not the only industry that gave this dividend. On page 84 of the Tariff Board's Report we find:

"In justice to the Bombay mill industry, it must be pointed out that, as will be seen from the tables we attach, the dividends paid by the mills in Bombay were on the average not on a higher scale than those paid by mills in Japan during the same period."

But my friend says that Japan has built up huge reserves. Let me tell my Honourable friend that, from 1917 to 1925, if Japan built up huge reserves it is not because they withheld dividends, but because they speculated in the purchase of cotton in those days. Here is the Report of Mr. Pearce, about which my Honourable friend Mr. Chaman Lall spoke. Speaking about the various causes that have contributed to the prosperity of the Japanese industry, he says:

"I would attribute as a second cause for Japan's rapid advancement what we in Europe would call speculation."

And he goes on to say that the profits made in this way, namely, by speculation in cotton during the war have enabled them to build up huge reserves. That was how the reserves were built up in Japan in those days.

Diwan Chaman Lall: I may remind the Honourable Member that cotton went up from 30 yen to 100 yen at the commencement of the war and after Japan bought at 30 yen and made millions.

Mr. R. K. Shanmukham Chetty: Making such purchases without hedging them is called in the commercial world speculation. It is from that kind of speculation that Japan built up those huge reserves.

My Honourable friend, after saying that Bombay dissipated her profits by giving huge dividends, had the usual fling at the Managing Agents of Bombay. Sir, I do not propose to take any brief for the Managing Agents, but in fairness to the managing agency system, which has been so much abused and so much misunderstood, I would again refer my Honourable friend to what the Tariff Board itself found on that point:

"Except to the extent that defects in the managing agency system, such as undue conservatism and lack of initiative, have contributed to the present depression, that system cannot be held to be responsible for existing conditions."

That was the finding of the Tariff Board on the inherent defects of the managing agency system, after making very elaborate inquiries on the point. If the question whether the textile industry in India deserves and needs protection is examined without passion or prejudice, Honourable Members can come to only one conclusion, namely, that the faults of the textile industry, and especially those of Bombay, have been exaggerated and are still being exaggerated, and that the Indian textile industry is now in a position which justifies this House in granting to that industry an ample measure of protection.

[Mr. R. K. Shanmukham Chetty.]

I would now come to my second point. Having satisfied myself that the textile industry in India does deserve an adequate measure of protection, I ask myself whether the protection proposed in this Bill is adequate and effective for the purpose of the Indian industry. My conclusion, to state it at the outset, is that, so far as the requirements of the Indian industry are concerned, this measure of protection is both adequate and effective. Sir, in the note that has been circulated to Honourable Members by the Honourable the Commerce Member, a comparison has been given between the imports from Japan and the United Kingdom to show that the real competitor for India is Japan and not the United Kingdom. My Honourable friend, Diwan Chaman Lall, again, in reading these figures, came to the extraordinary conclusion that these figures show that the Indian textile industry does not deserve protection. But, that is not the conclusion that ought to be drawn from these figures. Whether you take the progress of the trade in *dhotis* or in long cloth and shirtings, or in coloured goods, what you find is this that, during the last 10 or 15 years, the Indian industry, even with an advantage of 11 per cent. against Lancashire, has been able to capture a great deal of Lancashire's trade. But the entry of Japan into the Indian market during the last eight or nine years has resulted in this position, that the greatest competitor for India in maintaining her present position is Japan and not the United Kingdom. That is what these figures show. Take the *dhoti* trade. In 1924-25, Japan imported just one million yards, and in 1928-29, 35 million yards. In long cloth and shirting, in 1924-25 it was five million yards, in 1928-29 it was 191 million yards, and in the calendar year 1929 it was 325 million yards. The same is the tale whatever classification of goods you might take up. In the Report of Mr. Hardy it has been pointed out that over 80 per cent. of the cloth produced in the Indian mills is from counts of 25 and below, and taking the quality of goods imported from Lancashire, it is clear, that only about 12 or 13 per cent. of the cloth imported from Lancashire would come into direct competition with Indian manufactured goods. What the House has therefore to satisfy itself about is this, whether the measure of protection proposed in this Bill is adequate to meet the demands of the Indian industry. It is not necessary, I think, to weary the House with more figures to prove how the present measure of protection is both adequate and effective.

I would now come to my third point. What is the effect of the proposed scheme of British preference on the Indian industry? That there is an element of British preference in this scheme, it is idle to deny. When I examine that scheme of British preference, what I am concerned about legitimately is whether that preference will adversely affect the Indian industry. I am not going to reject British preference on the ground that I cannot bear the sight of the United Kingdom also benefiting by a scheme of protection. Sir, in my budget speech the other day, I gave out what my attitude towards Imperial Preference is. I consider Imperial Preference purely as a business proposition. It is as unreasonable to advocate Imperial Preference on sentimental grounds as it is to reject it on grounds of prejudice. Viewing Imperial Preference as a business proposition, I am not satisfied at the way in which the Honourable the Finance Member has asked us to look into that question. The Honourable the Finance Member has offered to us the possibility of a political advantage that we might gain in return for this preference that we give to British goods.

An Honourable Member: Bargaining.

Mr. R. K. Shanmukham Chetty: I say it is as unworthy of British to ask, as it would be unwise of India to exchange, an economic for a political benefit. The political demand for Dominion Status must stand or fall on its own merits and not be linked up with economic bargaining (Hear, hear). Dominion Status is as much an economic necessity for India as political necessity; and Dominion Status or even Independence acquired for India by bartering or mortgaging India's economic rights will not be worth a day's keeping. I am not therefore prepared to exchange any amount of political benefit for an economic benefit. If Great Britain is asking for Imperial Preference from India, she must be prepared to offer to her in return an economic benefit and not a political benefit (Hear, hear). I know from the history of Great Britain itself, from the prejudice of the British elector against food taxes, that it will not be possible for any British Government to ask the British public to agree to any great scheme of Imperial Preference; for Imperial Preference for Britain carries the necessary implication that there will be taxation on foodstuffs. I am not therefore afraid of this talk of Imperial Preference. I would simply ask a plain question. What has England, Australia, or Canada for the matter of that, to give me in exchange for the economic benefit that I give; and if I am satisfied I can get back enough return for this concession that I give, then, I, for my part, would not be swayed by any sentiment or prejudice on that question. It is in that spirit that I view the whole question, and viewing the question from that point of view, I am convinced that the scheme of protection formulated by Government, while it certainly gives a certain amount of advantage to Britain, does give to the Indian industry an adequate and effective protection that it is in need of. Inasmuch as the scheme gives that adequate and effective protection that the Indian industry needs, I have not the slightest hesitation in supporting the measure that is before us. (Applause.)

Mr. M. K. Acharya (South Arcot *cum* Chingleput: Non-Muhammadan Rural): I was listening very attentively to the eloquent speeches delivered by my Honourable friend, Mr. Shanmukham Chetty, as well as Mr. Jayakar, and I was a little perplexed, being neither an economical nor a political expert, as to the best conditions under which the best bargain we may make from what has been called the rupee which the poor man holds in his hands. Sir, may I humbly remind both my Honourable friends over there that, after all, the argument based on analogy is not always the very strongest of arguments. My Honourable friends know there are four kinds of arguments in logic; and the argument of analogy as well as the argument based on mere verbal authority come lowest in value. My Honourable friend, Mr. Jayakar, said, "I have a rupee in my hand—the poor man's rupee—and I am not going to dispose of that rupee except in terms of something valuable politically, as valuable as I can possibly get in return for the rupee". My Honourable friend, Mr. Chetty, rather inadvertently I thought, was trying to make capital out of that analogical argument and said, "There is the poor man's rupee, but the poor man is hungry and starving; then why not spend a little portion of it to relieve the poor man's hunger?" But he forgets that the rupee that the poor man has is only to relieve the poor man's hunger and not to relieve his neighbour's hunger; that in this case, the rupee is not that of the poor textile industrial workers or of the employers or capitalists, but it is that of the consumers'; and the consumers' one rupee cannot be given away to relieve even a little

[Mr. M. K. Acharya.]

portion of the hunger of the textile industrial managers of Bombay or of any other city. That is the flaw in his argument. It is not the hunger of the poor man that my Honourable friend wants to relieve, but is another not-poor man's hunger; it is his neighbour's hunger that he wants to relieve with this rupee for the latter's own benefit; and that is a proposition which, I think my Honourable friend, Mr. Chetty, himself would admit, is not under either the old ethics or new morality a sound proposition. However, Sir, I suppose economists and politicians are not always as keen as we old philosophers are about moral principles.

I will now go to what may be called the more worldly portion of the business; and here I do not find my Honourable friend, Sir Darcy Lindsay, in the House. I should like to congratulate Sir Darcy Lindsay for the very great concern which he now shows for the textile industry and mill-owners of Bombay. I have always entertained, Sir, very great respect and very great regard for Sir Darcy Lindsay. He is not a European merchant of the old type at all, and therefore, I did expect from him greater sympathy in these days for Indian industries than probably a hundred years ago his ancestors had for the then Indian industries. Therefore, that comes very naturally from a very good gentleman, like Sir Darcy Lindsay. Then, when I listened to my Honourable friend, Dr. Hyder, up here,—and he too is not to be seen in his place—I thought he was lecturing to some of his students about the principles of Imperial Preference and things of that kind. All of us thought that he could spare us these theoretical principles, because we do not happen just now to be his students attending his lectures. Today we do not happen to be in one of his class rooms as students to whom he would lecture upon the various aspects of Imperial Preference and things of that kind.

Now, Sir, I have been trying to follow, as far as I can, the debates in the House, with a view to make up my mind, because I was one of those who were a little terrified by the budget speech of the Honourable the Finance Member. And here I must confess, rather I must protest, that I never had the slightest doubt that either the Honourable the Finance Member or the Honourable the Commerce Member, for whom I thought my good friend Mr. Jinnah made great advocacy the other day, I never doubted that they had very great intelligence, not only as much intelligence as I have, but indeed far greater intelligence. And that is exactly my difficulty. These gentlemen have such an abundance of intelligence and cleverness that they can easily manage to make the worse appear the better reason. Therefore, I have to be very careful. With all the humour that the Honourable the Commerce Member possesses in abundance, Sir, and I enjoy it certainly even when that humour comes from an old bachelor like the Honourable the Commerce Member—but when he puts his humour on, I have to be ten times more careful that I do not swallow all that enjoyable humour for good arguments; and that exactly is my difficulty. Arguments on this side of one kind are supposed to be flung, arguments on the other side of another were poured forth; and humble folks like myself are very greatly perplexed what the really sound arguments were and what the rather specious were. That was in fact what I was pondering over, when my Honourable friend, Mr. Chetty, was speaking. Here is one doctor that says one thing, there is another doctor who says another thing. One great economic expert says one thing; he says this is a very good Bill that is

placed before us. Another equally great economic expert, who knows many more things, says it is not a good Bill, and we poor fellows are left in the lurch. We have to scratch our heads and see, after all, where are we landed, by the truly sound arguments whether on the side of the Government or on the opposite side.

Sir, in this dilemma, I have been trying to read the thing a little for myself; and I wish, Sir, that we were given more figures, more statistics and more arguments than were contained in the Honourable the Commerce Member's speech. I wish, Sir, he had told us, for instance, what were all the corollaries in rupees, annas and pies that would follow from the acceptance of the Bill. It is a little difficult for me, an ordinary Member such as I am, to look into these various trade returns and make out the various quantities of various kinds of goods that have got all those technical names which are not easy to swallow, like bleached, unbleached, dyed and undyed,—D-Y-E-D of course,—and all this mass of figures relating to them. In a general way, I have been trying to work out some of these facts and figures, and they have been rather perplexing. I wish, therefore, Government had put this matter before a committee; if not before the Tariff Board, at least before a Select Committee of this House, and had asked them to scrutinise all the various implications of the various portions of this Bill before telling us, in a very indefinite manner, that if we want to help the cotton industry or the textile industry of Bombay, we should take the whole Bill, and they would allow probably a small verbal amendment like that proposed by Mr. Chetty over there; but that if we don't want it, they will give us nothing. That is a position that is equivalent to rather taking us at a disadvantage. There may be, after all, still a third way out of it, a third alternative, and perhaps a better alternative, than taking the whole Bill or rejecting the whole Bill; and it is on that aspect that I should have liked a discussion in this House, instead of going into these rather broad questions of the past virtues or misdeeds of the Bombay millowners. After all, Sir, you will pardon me when I, in my own philosophical way, say that human nature is the same everywhere, and the Bombay millowners are not superhuman. They have all their many faults; but there is a soul of goodness in things evil also. They must have, after all, a little bright side along with their dark side as well. I should have told my Honourable friend, Mr. Chetty, if he were here, that I was not impressed with the quotations he gave, as he thought to his advantage, from the Tariff Board's Report or any other Report; and I think there is a great deal of truth in what a great writer once said that statistics can prove anything in the hands of a clever man. The same set of statistics gives one sort of inference to Diwan Chaman Lall, the great Labour leader; while the same set of figures gives another sort of inference to a great capitalist leader, like Sir Purshotamdas Thakurdas, or my equally capitalist friend, Mr. Chetty. Therefore, to a man like myself, who is neither a capitalist leader nor a labour leader,— and Heaven knows I have no ambition of becoming any either—it is very difficult to accept either the conclusions of the labour leader or the conclusions of the capitalist leader or any other leader. I find that these gentlemen were talking not to enlighten us, but to perplex us all the more. I wish that my very matter-of-fact and esteemed friend, Mr. Jinnah, had appeared on the scene, and put in his own usual way what we call the common sense point of view, so that he could help us to understand really what is the practical issue before us.

5 P.M.

Mr. M. A. Jinnah: I hope to speak if I get an opportunity, and I hope to convince my learned friend about the views I hold.

Mr. M. K. Acharya: I hope we shall have an opportunity of hearing my Honourable friend before we finally vote upon the motion before the House. In any case, not having had so far the benefit of his speech, I can only say that, so far as I am concerned, I am very anxious to find out the truth. I tried to study some of the figures, and I tried to send up some kind of amendments too. I am very anxious to find out if there could not be some other alternative—other than accepting the whole Bill or rejecting the whole Bill. It may be said, however, that that must lead me to vote for this motion and go to the consideration stage. But before I do vote one way or another, I must enter my emphatic protest, in my own humble way, against the manner in which Government have thrust this Bill upon us, and the short time we have had for its consideration and scrutiny. They ought to have known, at least in January, that there would be a deficit Budget both for revenue as well as for protective purposes, and that they would be called upon to impose some heavy tariffs and things of that kind. If they did not know it in January, I do not think they are entitled to be called a sensible Government. Therefore, my charge is, unless it is rebutted, that they did know in January that they were going to have a deficit Budget, and that, chiefly for revenue purposes, they would be called upon to increase the tariff duties. Having known this, they ought to have given more time to this House, instead of coming up in the first week of March and saying that they must get this through in the course of the following three or four days. For that one reason, if for no other, I should be prepared to vote against Government, because they have not given us ample time and ample facilities to study the various aspects of the Bill, and take it into consideration on all its merits. That, Sir, is one very strong protest I wish to make against Government. I hope in future they will give us more time, more facilities and more statistics, because we on this side do not have huge departments working for each one of us at our disposal, such as the Honourable the Finance Member and the Commerce Member have. We, of course, had something circulated, which contained some facts and figures, but I have not been able to study them thoroughly yet, for being handed to us at such a late hour it rather spoils the game altogether. Therefore, I protest against the lateness and the very hurried manner in which Government want to thrust this legislation upon us with a pistol in their hands, saying, "If you do not pass it, your Bombay millowners will suffer". Yes; the way they want to put the vested interests against the general taxpayer is, in my vocabulary, rather immoral. I am very sorry that Government should play this game.

Now, the other day Sir Purshotamdas Thakurdas protested against what he lightly called our sense of irresponsibility. Sir, I have my poor sense of responsibility, which is to my electors, to the poor man, to the hungry man, not necessarily to the labourers of whom my Honourable friend, Diwan Chaman Lall, is the advocate. But I am here to look after the ordinary taxpayer and to see how much more he will have to pay for the ordinary cloth that he wears next year than he pays now. I have calculated that there will be an increase of one-eleventh, that is to say, for every 11 annas he will have to pay 12 annas. It is a very easy calculation which any schoolboy can make, for the Government in this Bill proposed to

raise the tariff duty from 11 per cent. to 20 per cent. or by one-eleventh more. So for every cloth priced 11 annas till now, the consumer will have to pay one anna more. And I have not been told what advantages he will get for himself in return for this extra expenditure of one anna. It may be good for you or Mr. Chetty to say that the Bombay millowners are very poor people, and they want this protection very badly, and for the sake of the Bombay millowners, my dear voters from Conjeevaram, Chingleput and Chidambaram and so on, they had better pay one anna more for every 11 annas for which they purchase the cloth now. Would my very esteemed friend, Sir Purshotamdas, say that that will be showing a sense of responsibility to my electors, if he were in my place? He charged us the other day that we did not vote with him, and we were showing a great sense of irresponsibility. I may not be as great as he is in commercial matters, and I do not wish to be a capitalist at all as he is. I do not use the word in any offensive sense. I do not wish to be a capitalist, for my wishes are for the wealth in heaven above and not for the riches below. I hold with Jesus Christ as my reverend friend there will say, that it is as easy for the rich man to enter the gates of Heaven as it is for a camel to pass through a needle's eye. However, I know that my friend, Sir Purshotamdas, is both rich and good. I wish he would show a greater sense of responsibility than he did the other day, and realise that there are various grades, various standpoints, from which to show our sense of responsibility or irresponsibility, and although I am not as rich as he is, I certainly can claim to know and speak as good English as he.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Better.

Mr. M. K. Acharya: I accept the compliment as one who has had to teach English for many years to students in High School and College classes. Probably I might have forgotten much of it in my non-co-operation days; but I probably know, even now, better English than he, and I cannot accept the charge that I am lacking in my sense of responsibility, not even that I am unable to hear and scan the facts. I wonder if my Bombay Knight knows what we philosophers call the Law of Relativity. The Law of Relativity governs all things under the sun, including all tariff Bills and millionaires, and therefore it is that the capitalist looks upon it in one way, the worker in another way, and I look upon it in a quite different way from all these people. I repeat the law of relativity does apply to all our thoughts, and so to what he calls the sense of responsibility. And it is because I wish to show my fullest sense of responsibility to those people by whom I am sent here that I desire to examine this Bill very closely.

Now, what is the Bill? So far as I am able to claim—I am trying to finish as quickly as possible, and trying to speak as fast as I can, but after all the burden falls on the poor Reporters, that I know always—as far as I am able to make out, the returns show that there has been a gradual decrease in the imports from England into India and a gradual increase of imports from other countries into India. I speak subject to correction, because I always disclaim being any great authority in statistics and economics and that sort of things. It has been something like this, taking the past five years for which the figures are available in the huge

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book in the Library giving statistics of all the seaborne trade of India. During the past quinquennium, 1924-25, 1925-26, 1926-27, 1927-28, 1928-29, the value of twists and yarn imported into India from the United Kingdom seems to have been as follows:

	Crores.
1924-25	4·54
1925-26	3·13
1926-27	3·08
1927-28	3·09
1928-29	3·56

From 4·54, within five years it has come to about 3·56 crores, a decline of nearly one crore in twist and yarn. Similarly, in piece-goods imported from the United Kingdom the figures are:

	Crores.
1924-25	60·28
1925-26	44·50
1926-27	44·73
1927-28	42·74
1928-29	40·43

There has been a very great falling off, though, in the year 1924-25 the imports should have been exceptionally high. From 60·28 to 40·43 was the decline in the import of these British goods from the United Kingdom to India during the five years under review. Now, the total British imports, that is piece-goods as well as yarn and all that, give us 60·64 crores in 1924-25 to 44·98 in 1925-26 coming down to 45·08 in 1928-29. Now, I have been trying to note what the imports from Japan have been. Japan seems to have been fairly progressing. The figures are:

	Crores.
1924-25	5·74
1925-26	6·88
1926-27	6·57
1927-28	8·24
1928-29	8·89

From 5·74, in 1924-25 to 8·89, in 1928-29, nearly 1½ times more. The total of all foreign imports goes from 8·77 in 1924-25 to 13·22 in 1928-29, that is from all non-British countries.

These figures, apart from their significance to a capitalist or millowner owning a special sense of responsibility and intelligence, these figures show to me that there has been a gradual decline, and in fact a very perceptible decline, in all kinds of goods imported from the United Kingdom into India during the five years I have quoted, and a gradual increase in the total quantities and the value of goods imported from foreign countries, and particularly from Japan into India. Naturally therefore, in the business world, although I have no personal experience of business, naturally in the business world, I suppose when one country loses a considerable portion of its trade and another country gains a considerable portion, it must be natural for the former country to be on the look-out

to find ways and means by which it could recover its old trade with that particular country. And therefore I should not blame—whatever people may say about international morals and conventions and so on—these are in huge volumes which I leave to my friend over there, and there is no doubt he is a good and clever man—whatever these volumes might show, I do not believe that human nature being what it is—and I do not believe costly international treatises will make human nature much better—I believe, human nature being what it is, the average British manufacturer must be very anxious to re-secure the full quantity of his trade with India, which to a great extent he has been dislodged from by Japan. If therefore the British Government wanted, if the Government in England wanted the Government of India to devise some special measures by which the declining trade of England should be made up and the growing trade of Japan curtailed, and if the Government of India, as a subordinate Government were trying to do their best, without consciously or deliberately injuring the consumer's interests, and said that it was to help India, I think that would also be part of human nature. We may call it British preference; I am content to say that it is in a special way, though almost unconsciously looking with favour upon British manufacturers. But Government will contend—clever people as they are—that it is all done in the best interests of India more than of England. It was yesterday morning, Sir, that I saw a telegram about what one, Mr. Gray, representative of Manchester, asked in the House of Commons, and the reply was given that the tariff proposals of the Government of India were such as, though laying an additional duty upon British goods, also gave advantage to the British in certain goods against foreign competition and to that extent they ought to be welcome. Therefore, there is no denying that the British merchants themselves realise that they have to pay increased duty on their exported goods from 11 to 15 per cent; but they also realise that they will have to pay 4 per cent. more as part of a bargain under which Japan will have to pay 9 per cent. more. Now, human nature being what it is, they have consented easily to this increase of duty from 11 to 15 per cent., so that the duty on Japanese goods may be raised from 11 to 20 per cent. For Commercial human nature does often times consent to lose one eye, if thereby its neighbour will lose both eyes! This verily appears to be the psychological reason for England agreeing to the whole tariff proposals now before the House.

Incidentally, I believe—and there comes my complaint—but only incidentally, the Bill has a protective value, not that it has primarily, absolutely primarily, been undertaken in the interests of the Indian manufacturer. Primarily, Sir George Schuster wanted more money; he was not going to have a deficit Budget; so he had to find more money, and naturally —I do not believe capitalists are always ready to part with their money—if they are asked to pay more taxes directly, they have to come from the poor consumer, who is the special ward of the Government. Government are always charitable to the poor. Salt is therefore one of the commodities which is taxed by Government. Whenever Government want more money, they are tempted to double the salt tax. The next thing after salt about which they want to be charitable to the poor man is his cloth, and therefore they have come up now with a proposal to make 11 annas worth of cloth dearer by one anna. That is how Sir George Schuster wants to make up revenue in order to balance expenditure. That, Sir, is the primary purpose of this Bill, and the Honourable the

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Commerce Member goes to the help of the Finance Member naturally, and he necessarily comes into this House with this proposal for raising the tariff in order to get revenue; and incidentally, he tells us all these stories about the declining mill industry, the national industry of India. Sir, speakers before me have already urged how, if this great charity had been granted earlier, it would have been more philanthropic; that had it not been at the cost of the poor man, but in some other fields, it would have been more welcome. But whatever it is, the offer of protection, coming as it does as a great temptation in order to induce us to accept the present tariff proposals, coming also in order to give more money to the Government at this stage, coming as it does, coupled with the bargain that we shall have the protection only if we agree to the increased taxation and to the increased expenditure, I am afraid, Sir, that it is neither very charitable nor fair.

Now, looking at them from this point of view, Government's proposals are of a mixed character; they are primarily not for protection, but for revenue purposes. There is a small bit of protective advantage no doubt. It is not for me to say exactly what will be the immediate effect of the protection proposed. I leave that matter to be settled between the economic experts on the capitalist's side and the economic experts on the labour side, as to whether this measure is adequate, whether it is absolutely necessary, or whether it will be effective. I have got my own suspicions. Probably our experts later on will come and say that there were some flaws in the calculations somewhere—not made by them, they will urge, but made by somebody else! And therefore the whole thing has gone wrong, and they may want some other kind of protection, for this thing or something else. I could have understood, as my Honourable friend, Mr. Jayakar, very seriously suggested, if the proposal was only for one year, and if at least, before the 31st March, 1931, Government would afford ample facilities either for an examination by the Tariff Board or otherwise, and put this House in possession of all the facts, such as we are not in possession of today, we could perhaps then have swallowed the pill with some amount of grace. But the proposal is for three years. I know it will be said that one year is too short a time to examine the effects of the whole proposal. What is the difficulty? Could it not be found out, even in the course of a year, what is happening in Japan and the rest of the world, so that this protection could, if necessary, be continued for another year? Why should it be now alone put up for three years necessarily? When a similar Bill was brought before this House three years ago, it was said that there would be no need to ask for protection after three years; and yet it has come again. The old Bill comes back to us and it is to be for three years once again. Now, what guarantee is there that, in 1933, Sir George Schuster and Sir George Rainy or Sir George Rainy's successor, whoever may happen to be here, may not come here and say, "You good boys, you agreed to our proposal in 1927 and again in 1930, you give us another Tariff Bill for another three years, for protecting this other kind of industry which badly needs protection". So, Sir, this is setting a bad precedent; and unless therefore a very strong case is made out for setting up such a precedent, it is incumbent on us, who are the guardians of the poor taxpayer, it is incumbent on us to say that we are not going to put this power of taxation into the hands of the Commerce Member to do what

he pleases within the next three years. Therefore, Sir, as I have said, if the proposal is restricted to only one year, we may be less anxious to scrutinise every portion of the Bill very much in detail; but the proposal being for three years, it is our duty to see that nothing passes our scrutiny which can possibly be brought within it.

Sir, I do not wish to refer to the eloquent speech of my friend, Mr. Jayakar, at any length because I am half in agreement with him, though I am half in disagreement. I am neither a political, nor an economic bargainer; and therefore he is the best judge as to whether at the Round Table Conference he can get his full rupee's value, or whether he will not. I do not believe that will move me one way or another. My friend, Mr. Chetty, thinks that, for one rupee of economic asset, we should have one rupee of economic value; but there again he does not tell us what is the economic value he can be sure of for one rupee of our economic asset. What is he going to get from England in economic return for this preference? He may say that we are protecting our industry by this additional taxation. That does not necessarily mean that we are not throwing away to the British Empire the economic asset which has been recognised by Mr. Chetty himself. But if there be an asset, it is good to get the full rupee's value before throwing away our asset. Now, Mr. Chetty wants some economic value for it, while Mr. Jayakar would like to have some real political value in return. Perhaps I would say I would like some spiritual value for the rupee from materialistic Britishers even. I would like to see that their hearts are touched, and that they realise the superiority of soul force over brute force; because that always, as it seems to me, is the lesson that India has to teach to the world, that spiritual force must rule over brute force in every concern, political, economic, industrial or commercial. Therefore, Sir, I would like to give this one rupee to any part of the world where they will learn this great lesson that, poor as we are, hungry as we are, the millions in this country, they are still believers in the old saying:

"dhing, me kshatriya balam, brahma-tejo balam balam."

"Fie upon warrior's strength of arms—the Brahman's spiritual strength."

And yet to such spiritual strength the Honourable Sir James Crerar will not pay his homage. Yet that, Sir, is going to be our protection, and no Tariff Bill. How willingly we pay homage for spiritual worth is the lesson that Mahatma Gandhi is teaching by his great campaign today. (Interruptions.) Well, we may have our quarrels with Mahatma Gandhi over many details of his plan, we shall settle them with him in due time. That is not the point now. But, Sir, we know that Mahatma Gandhi wants, through his self-suffering, to crush or beat down the brute force of his enemies; and I say, through our suffering, through our non-violent soul force, we shall bring down the most powerful Government under the sun to its knees. There is considerable force in what Gandhi says, and it cannot be gainsaid by anybody. Therefore, Sir, the question is not, as Mr. Chetty would have it, what is the economic value we are going to have—I am not going to barter away my birthright for a little economic protection; nor would I care to barter away my birthright even for paltry Dominion Status, because, Sir, I agree with the late Mr. C. R. Das that if tomorrow Dominion Status is given to us as is demanded by Mr. Jayakar and others, I would reject it straightaway, because it will

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not give true power to the poor masses of people, because it will only mean the substitution of a brown bureaucracy in place of a white bureaucracy. So long as the system itself remains radically unchanged, Dominion Status will not be true Swaraj. Therefore, Sir, my real question will be whether this Tariff Bill, which we are asked to pass, which you say is going to be passed, will give us a better value than the political value which Mr. Jayakar wants, or the economic value which Mr. Chetty wants. Mr. Chetty is a commercial man and therefore he wants to get his full pound of flesh in return for what is—I hope it is not flesh, but something dearer—and Mr. Jayakar wants his Dominion Status, because he is a politician.

Now, coming to the Bill again, the real question is as Mr. Chetty put it, is the mill industry of Bombay prepared to take action today? I do not believe that Mr. Mody has done his duty by us today. He has not supplied us with all the materials. It was his duty to supply us with all the materials and facts and figures. He said that he met half a dozen party leaders. But who are these party leaders or partisan leaders? We have formed a party which has no leader. (Laughter.) I hope the other parties will learn a lesson from us. Somebody calling himself a leader goes and talks to half a dozen Members; and the leader on one side talks over these matters with some Members over a cup of tea or in the smoking room and exchanges a lot of ideas and proposals. Probably the personality of my friend, Mr. Jinnah, may enthuse his followers to accept whatever he says; or there may be some bad fellows like me who would tell him plainly "Why should we accept things of that kind?" Then probably from the Independent Party absolute independence will be given to everybody in his place to express his own view. I say, Sir, it was Mr. Mody's duty, if he wanted us to give our support to this Bill, to supply us with full materials in time for us to study them. When he knew that a man like myself, who had no particular fads to serve except the fad of Satyagraha or soul force, when he knew that I had no particular axe to grind in this House, he ought to have given us the full facts and figures for the past 8 or 9 years, and put before us the full facts of the case in support of the Bombay millowners. He might say that, in his Bombay speech, he has given full facts and figures, but with all respect to him, I may say that we read, probably, telegraphic summaries only. We do not have all the patience, especially a man like me has not all the patience, to read all the full speeches and to search in it for the facts and figures. Therefore, I say it was his duty to have supplied me with all the facts and figures for the past 8 or 9 years, and then my friend, Diwan Chaman Lall, would have given us all his facts and figures; and then we could probably have invited Mr. Mody and Mr. Chaman Lall (*An Honourable Member*: "Over a cup of tea?") (Laughter), and we could have listened to both these gentlemen with patience and tried to come to some conclusion. My friend, Mr. Mody, is the man who is more concerned in this matter than my friend, Diwan Chaman Lall, because the latter has no concrete proposals to place before the House for the benefit of the workers; while Mr. Mody, who was interested in getting our general approval to this measure, ought to have given us full facts and figures. As it is, I feel, Sir, that the millowners have not been doing things very well. It is said they have been guilty of many things. To a certain extent this might

be true. This, Sir, is my psychological reading, that when a big charge is made there must be some truth in it to a certain extent, and to a certain extent it may be exaggerated. But to whatever extent there is truth in the charge that is made, I think, Mr. Mody, on behalf of the millowners of Bombay, ought to have explained the position fully to us. Neither have the Government on their side have given us full facts and figures, nor has Mr. Mody given full statistics; and on these three or four short sheets containing the Bill and the amendments, I am asked to make up my mind. Probably the Government do not care if we get a few votes more or less, because they know that they have got the strong official block with their nominated Members to go with them into the lobby, and they can threaten the nominated Members that they would be unseated if they don't go with the Government into the lobby. And so, whether through threats or persuasion or otherwise, they go about the business, unmindful of what we do on this side. I say, Sir, it is entirely unjust to decide matters by the logic of votes, neglecting the logic of arguments. The Government and the millowners together should have placed before us all the facts, and in their failure to do this, I say they have entirely been negligent in their duties to the Members of this House.

I have calculated that, according to the present proposal, and I am glad to find that my friend, Sir Darcy Lindsay, who is a much better calculator than myself in these things, has practically accepted my conclusions, the total increase in duty on British imports will be, according to my calculation, about two crores of rupees. I have simply put it in round figures. The value of the imports will be, say, 50 crores; then 4 per cent. off that will give you about 2 crores; and I am glad that my friend, Sir Darcy Lindsay, who has calculated perhaps more exactly, tells me that it will be 176 lakhs, and I am wrong only to the extent of about 24 lakhs. Similarly, Sir, the imports from non-British foreign countries will be about 17 crores, and the increase in revenue, at the rate of 9 per cent., I believe, would be about 1½ crores and together it will give us about 3 crores, and Sir Darcy Lindsay's figures come to 290 lakhs. That is very nearly correct. But I will take it roughly at 3 crores, that is going to be the additional revenue. That is exactly the immediate result of this Tariff Bill. Of course, the Honourable the Finance Member will be mightily pleased if he gets an additional 3 crores.....

The Honourable Sir George Rainy: I might point out, Sir, that Government cannot accept any of the figures the Honourable Member is giving at the present moment.

Mr. M. K. Acharya: I say, Sir, it was the plain duty of the Government to put all these figures before us, instead of allowing us to probe in the dark. Why does he not bring this measure up in Simla, and meantime circulate all the relevant papers to us? Of course, Mr. Chetty's speech will be printed and Mr. Jayakar's speech also will be printed, and all the various arguments, financial, economic, political, tariff and protection and things of that kind, will be put there; but it would give us more time and leisure to consider patiently, weigh deliberately and judge dispassionately all the facts of the case. If the Honourable Member will give us this undertaking not to press this motion in this Session, but bring it up in Simla, I can undertake to give him ten votes more. I am prepared to sit down, Sir, if he undertakes to bring this motion up in

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Simla, but unfortunately he will not give his own reasons, and if I calculate my figures and tell him that my calculation is so and so, he says, "No, your figures are not correct". Now, Sir, I would like to hear the Honourable the Commerce Member's figures and then take up the gauntlet.

Mr. M. A. Jinnah: I would like to hear the Honourable Member's own arguments and conclusions for or against the matter

Mr. M. K. Acharya: I have noted down about five or six pages of facts and figures. If I am not wearying the House, I am perfectly prepared to go into them.

Mr. M. A. Jinnah: Give us your conclusions.

Mr. M. K. Acharya: Conclusions, without the facts and the arguments upon which they are based, would be of no use; and I very much wish that my Honourable friend, Sir George Rainy, has placed all the relevant facts and figures before this House.

Mr. M. S. Aney (Berar Representative): Are you not doing an injustice to the Assembly by withholding the valuable information that you have?

Mr. President: The Honourable Member must now conclude.

Mr. M. K. Acharya: I shall now conclude, Sir. Greatly as I regret that I cannot agree to the very "reasonable" demands of my friends on the official side without scrutinising the facts and figures at their disposal, I do strongly feel that I cannot agree with Mr. Chetty's arguments on this side or put up with Dr. Hyder's dialectic discourse on Imperial Preference and things of that kind. Above all I regret that the Honourable Sir George Rainy had not placed before the House all the relevant facts and figures to enable us to come to a considered conclusion on this matter.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 18th March, 1930.

LEGISLATIVE ASSEMBLY.

Tuesday, 18th March, 1930.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

MEMBER SWORN:

Mr. Tangutur Prakasam, M.L.A. (East Godavari and West Godavari *cum* Kistna: Non-Muhammadan Rural).

QUESTIONS AND ANSWERS.

SUPERIOR NON-GAZETTED POSTS IN THE EDUCATION DEPARTMENT OF AJMER-MERWARA.

629. ***Mr. Abdul Latif Sahib Farookhi:** With reference to Government's reply to part (*d*) of starred question No. 430 in the Legislative Assembly on the 12th September, 1929, will Government please put on the table of the House a statement regarding the eight non-gazetted posts of Rs. 200 or over which there are in the Education Department of Ajmer-Merwara, giving against each post, (i) the name of the present incumbent, (ii) the present pay of the incumbent, (iii) the designation of the post, (iv) the sanctioned maximum pay of the post?

Sir Frank Noyce: The information asked for is being collected and will be supplied to the Honourable Member later.

COMPLAINTS AGAINST CERTAIN EDUCATIONAL OFFICERS IN AJMER-MERWARA.

630. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) With reference to Government's reply to starred question No. 432, given on the 12th September, 1929, regarding the complaints by lady teachers of the Central Girls' School, Ajmer, against Mr. P. B. Joshi, Assistant Superintendent of Education, and Munshi Gaya Prasad, will Government please state if they have collected the information asked for?

(*b*) If the reply to part (*a*) is in the affirmative, will Government please communicate the said information to the House?

Sir Frank Noyce: (*a*) Yes.

(*b*) The Honourable Member is referred to the reply given to the starred question No. 583 asked yesterday by Maulvi Muhammad Yakub.

GRIEVANCES OF RAILWAY EMPLOYEES IN MORADABAD.

631. ***Maulvi Muhammad Yakub:** (*a*) Are Government aware that last year Mr. Hayman paid a visit to Moradabad in order to investigate the grievances of the railway employees in the Moradabad Division?

(*b*) Will Government be pleased to state what was the nature of the grievances which were investigated by Mr. Hayman, and what was his finding about those grievances? What steps were taken by the authorities on Mr. Hayman's report?

(*c*) Are Government aware that the Divisional Superintendent, East Indian Railway, Moradabad, refused to grant an interview to the responsible officers of the Railway Employees' Union to discuss the grievances of the railway staff?

(*d*) Will Government be pleased to state what action was taken in the matter by the Railway Board?

Mr. A. A. L. Parsons: (*a*) Yes.

(*b*) Mr. Hayman investigated the general grievances complained of and also examined some of the complaints made that particular individuals had not been properly treated.

A memorandum showing the action taken to remove the general grievances has been placed in the Library. Mr. Hayman did not consider it necessary that the discretion of the Agent should be interfered with in regard to the individual cases he examined. He suggested, however, that some of them should be re-examined by the Agent, and my Honourable friend, the Deputy President, who is the President of the East Indian Railway Union, Moradabad, was informed by the Railway Board, last January, that he should apply to the Agent, East Indian Railway, for any information he desired on this subject.

(*c*) Yes.

(*d*) The attitude of the Railway Board in this matter is contained in Railway Board's letter No. 101-L., dated the 5th March, 1930, to the address of the President, East Indian Railway Union, Moradabad, a copy of which has been placed in the Library.

Maulvi Muhammad Yakub: Are Government aware that the President of the Moradabad Railway Union asked the Agent of the East Indian Railway to give him information about the report of Mr. Hayman and they did not send in the report but said that necessary action had been taken?

Mr. A. A. L. Parsons: No, Sir; I was not aware of that fact, but I am content to take it from the Honourable the Deputy President.

LACK OF SUITABLE LADIES' WAITING ROOMS AT MORADABAD STATION.

632. ***Maulvi Muhammad Yakub:** (*a*) Are Government aware that the third class ladies' waiting hall at the Railway Station, Moradabad, is very inconvenient for the ladies?

(*b*) Did Mr. Hayman pay a visit to this hall in August last when he was in Moradabad?

(*c*) What steps, if any, were taken to remedy the inconvenience of the women?

(*d*) Are Government aware that there is no intermediate class ladies' waiting hall at the Moradabad Railway Station?

(*e*) Do Government propose to direct the construction of an intermediate class ladies waiting hall at the Railway Station, Moradabad, on the main platform?

Mr. A. A. L. Parsons: The answer to part (*b*) is in the affirmative.

Parts (*a*), (*c*), (*d*) and (*e*). The matters raised in the other parts have been referred to the Agent, East Indian Railway, and I will communicate later with the Honourable Member.

PAY OF STAFF OF CURRENCY OFFICES.

633. ***Mr. S. C. Mitra:** Will Government be now pleased to answer in this House my unstarred questions Nos. 185 to 189 and 192, the reply to which they promised on the 23rd September, 1929, to send to me as soon as possible but which remain still unanswered?

The Honourable Sir George Schuster: Replies were despatched to the Honourable Member on the 6th March. A copy has been placed in the Library of the House.

EXCESSIVE HOURS OF WORK IN THE GOVERNMENT OF INDIA PRESS, DELHI.

634. ***Mr. S. C. Mitra:** (*a*) Will Government be pleased to state if it is a fact that the workers in the Government of India Press, Delhi, are forced to work more than 12 hours on any one day against the provisions of the Indian Factories Act?

(*b*) Is it a fact that on the 26th and 27th February, 1930, a large number of workers were forcibly detained by the Manager of the Delhi Press and made to work for 18 to 20 hours on each day?

(*c*) Will Government be pleased to state the number of workers who were forced to work for more than 12 hours on each day on the 26th and 27th February, 1930?

(*d*) Is it a fact that the Manager of the Delhi Press breaks the rules of the Factory Act and no notice is taken of his conduct by Government or the Inspector of Factories?

(*e*) Is the Government of India Press, Delhi, under the administrative control of the Government of India, Department of Industries and Labour? If so, why does that Department allow the Manager of the Press to break the Factories Act?

The Honourable Sir Bhupendra Nath Mitra: An enquiry is being made and the result will be communicated to the Honourable Member in due course.

COMPLAINTS AGAINST THE MANAGER OF THE GOVERNMENT OF INDIA PRESS, DELHI.

635. ***Mr. S. C. Mitra:** (*a*) Will Government be pleased to state if it is a fact that, in the Delhi Press a number of Anglo-Indian and Christian readers have been promoted from Rs. 60—4—100 grade to Rs. 110—8—150,

and then to Rs. 160—10—200 grade within a period of 18 months over the head of a number of more senior Indian readers? If so, who is responsible for racial and communal discrimination observed in departmental promotions?

(*b*) Will Government be pleased to furnish a statement showing the number of proof readers employed in the Delhi Press in each grade and their university qualifications, if any?

(*c*) Is it a fact that the Manager of the Delhi Press is promoting temporary copyholders of one or two years' service as proof readers and is ignoring the claims of permanent copyholders with considerable service to their credit?

(*d*) Will Government be pleased to state on what considerations is the Manager of the Delhi Press allowed a rent free bungalow, and what is the value per mensem of the concession?

(*e*) Is it a fact that the Manager of the Delhi Press has recently been granted honoraria during the last two years for supervising budget work? If so, was an honorarium granted for the same work to Messrs. Hall and Aylmer, who held charge of the Delhi Press for years? If not, why not?

The Honourable Sir Bhupendra Nath Mitra: An enquiry is being made and the result will be communicated to the Honourable Member in due course.

EMPLOYMENT OF CADETS TRAINED ON THE "DUFFERIN".

636. ***Mr. Gaya Prasad Singh:** (*a*) Is it a fact that His Excellency the Governor of Bombay and the Naval Commander in Bombay and other high officials have spoken in highly appreciative terms about the cadets on the "Dufferin"?

(*b*) If the answer is in the affirmative, will Government be pleased to say whether cadets receive special training for three years on the ship in meteorology, astronomy and engineering, in addition to the other school subjects, and if so, whether those cadets who do not wish or are medically found unfit to follow the sea career after passing out of the "Dufferin" and before obtaining the Board of Trade certificate, will be given special preference in securing appointments on land, say in the Meteorological Department, in the Railway engineering workshops as first class apprentices, or in the Railways as Crew Inspectors, or some such executive appointments as the cadets are trained as officers to hold executive appointments?

(*c*) Do Government contemplate to entertain some of the cadets, who are medically disqualified, to continue the sea profession in the ministerial establishment of the Marine Department of the Government of India and of the Local Governments or in the Preventive Customs Service? If not, why not?

The Honourable Sir George Rainy: (*a*) Yes.

(*b*) and (*c*). The "Dufferin" has been established by the Government of India to give a preliminary training to Indian youths who desire to follow the profession of Deck or Executive officers in the Mercantile Marine. This training includes instruction in Meteorology and Nautical Astronomy but not in Engineering. Should any cadet finally decide not to follow a sea career, it will be open to him to apply through the usual channels for an appointment under Government in the Departments referred to by the Honourable Member. In making those appointments, however, Government do not contemplate that the cadets should be given any special preference over other applicants.

APPOINTMENT OF INDIANS AS DREDGER MASTERS.

637. ***Mr. Gaya Prasad Singh:** (*a*) What are the qualifications of Dredger Masters?

(*b*) What are their emoluments?

(*c*) Are there any Indians holding posts of Dredger Masters in India; if so, what are their emoluments?

(*d*) Where do the Dredger Masters receive their training?

(*e*) Do Government contemplate training some of the "Dufferin" cadets, after completing their three years' course as Dredger Masters?

The Honourable Sir George Rainy: (*a*) to (*d*). The required information is being obtained as regards the major ports in India and will be supplied to the Honourable Member in due course.

(*e*) No, Sir.

APPOINTMENT OF A JOINT SECRETARY AND A DEPUTY SECRETARY FOR EMIGRATION WORK.

638. ***Mr. Anwar-ul-Azim:** (*a*) Have the Government of India appointed a Joint Secretary in the Education Department only to deal with immigration work?

(*b*) Was the appointment made, because the immigration work was too heavy for the Secretary, or was it made to secure expert knowledge for the Department?

(*c*) What is the number of letters and telegrams received and despatched by the Department per day?

(*d*) Are Government contemplating the creation of a new post of Deputy Secretary to the immigration department?

(*e*) If the answer be in the affirmative, will Government state the reasons for making the new post?

(*f*) Is it due to the heavy work of the department or to add to the dignity of the Joint Secretary, or to provide an expert for him?

(*g*) Is this new post created to provide a living for a particular individual under contemplation?

(*h*) Are Government contemplating to advertise the post and secure the service of a person who possesses expert knowledge of immigration conditions?

Sir Frank Noyce: (*a*) No. A Joint Secretary was appointed in December 1927, in order to give the Secretary relief which became necessary owing to heavy increase in the general work of the Department. Besides "Emigration", the Joint Secretary deals with Forests, Archæology, the Survey of India and the Botanical and Zoological Surveys.

(*b*) I would refer the Honourable Member to the answer given by me to part (*a*) of this question. Special knowledge is of course required for dealing with overseas questions.

(c) The average number of letters, etc., received and despatched by the Department of Education, Health and Lands per day is 82 and 48, respectively.

(d) Government have decided to add from 1st April, 1930, a post of Deputy Secretary to the Department of Education, Health and Lands for a period of two years.

(e) and (f). The new post has been created primarily to enable the Joint Secretary to do touring, which is essential for the satisfactory discharge by the Government of India of their obligations in respect of Indians overseas, and to train an officer for handling overseas problems. The new Deputy Secretary will also assist in dealing with the general increase in the work of the Department.

(g) No.

(h) No.

Maulvi Muhammad Yakub: Is the Honourable Member aware that the Budget of this year is a deficit Budget and there is hardly any room for such expenditure?

Sir Frank Noyce: The budget proposals are carefully scrutinised by the Standing Finance Committee and they have agreed to this expenditure.

Pandit Hirday Nath Kunzru: Are Government aware of the importance of questions connected with emigration, and are they aware that questions on emigration are coming up every day?

Sir Frank Noyce: That is borne in upon them almost every day.

Pandit Hirday Nath Kunzru: Is it a fact that, in the last Session of the Assembly, it was proposed to consider, in consultation with the Emigration Committee, whether it was desirable to have a permanent arrangement of the kind which Government have instituted on a temporary basis only so far?

Sir Frank Noyce: In view of the impending changes, which will probably affect the whole constitution of the Department and the Secretariat generally, temporary arrangements seem advisable in present conditions.

Nawab Sir Sahibzada Abdul Qaiyum: Is it a fact that this new appointment has chiefly been created for the sake of half a million Indians who have migrated from this country while the whole 300 millions of Indians were up to now quite efficiently looked after by one Secretary?

Sir Frank Noyce: I do not think it is necessary for me to add anything to my answer.

STATEMENTS MADE BY SIR CECIL WALSH REGARDING INDIAN TRAINED MEDICAL MEN.

639. ***Lieut.-Colonel H. A. J. Gidney:** (a) Has the attention of Government been drawn to the remarks that have been widely circulated in the Press, both in England and in India, by Sir Cecil Walsh regarding the Indian trained medical men?

(b) Is it a fact that the author of this letter is in receipt of a pension from the Government as an ex-Judge of the United Provinces High Court?

(c) Are Government aware of the fact that the statements made by this ex-Judge have caused serious discontent among the people of India in general and the medical profession in particular?

(d) Will Government please state what action they propose to take in the matter?

The Honourable Sir James Crerar: (a) and (b). Yes.

(c) and (d). Government are aware that these expressions of opinion have been much resented. They are not, however, so far as I am aware, actionable.

Mr. N. C. Kelkar: Is it a fact that, as stated by the *Statesman* of Calcutta, Sir Cecil Walsh is the President of the Anglo-Indian Association, London, and that this Association has been recognised by the Secretary of State for India. If so, will the Honourable Member please convey to the Secretary of State for India the feelings of Indians towards this ex-Judge for his efforts to create racial hatred and contempt, and inform him that, unless he mends his ways, the Secretary of State would refuse to recognise him and his Association?

The Honourable Sir James Crerar: I have not the information on which the Honourable Member's supplementary question is based.

Mr. Lalchand Navalrai: In view of the discontent that is created here, will the Honourable Member please consider why Sir Cecil Walsh should not be prosecuted under section 153A, Indian Penal Code?

The Honourable Sir James Crerar: As I said, Sir, I do not think that the remarks attributed to Sir Cecil Walsh, though no doubt calculated to create a great deal of resentment, are actionable.

Mr. M. R. Jayakar: Do Government approve of pensioned officials of theirs, who have held exalted judicial posts in this country, in their retirement joining in press communications of this character?

The Honourable Sir James Crerar: However regrettable individual expressions of opinions may be, between that and taking action against them there is necessarily a distinction.

Mr. M. R. Jayakar: I only wanted to know whether Government approve such behaviour. I never spoke of any action in courts. I only wanted to know whether Government approve of such behaviour.

The Honourable Sir James Crerar: I think the Honourable Member's question goes very near to asking an expression of opinion.

Mr. K. C. Neogy: Have Government made enquiries into the allegations made by this gentleman with regard to the competence of Indian doctors?

The Honourable Sir James Crerar: I do not think an enquiry of that kind is in any way necessary.

Mr. K. C. Neogy: Do I take it that the answer of the Government is a commentary on the veracity of this gentleman?

Mr. K. C. Roy: May I ask the Leader of the House whether the Secretary of State has taken no action to refute the allegations made by Sir Cecil Walsh?

The Honourable Sir James Crerar: I have no information on the point.

Mr. K. C. Roy: Arising out of the answer given by the Leader of the House, may I enquire whether the Government of India has a policy to refute allegations against the Governor General in Council and against the people of India, made by retired officials like Sir Cecil Walsh in the British Press and platform?

The Honourable Sir James Crerar: Any action taken would depend on the circumstances of the case.

Mr. K. C. Neogy: May I draw the attention of the Government, particularly to the observation made by Sir Cecil Walsh with regard to the incompetence of Indian doctors in the domain of forensic medicine? Do the Government realise that, if his charges are correct, then the administration of justice is suffering from a severe handicap in this country?

The Honourable Sir James Crerar: That I think is a hypothetical question.

Mr. K. C. Neogy: May I read out the passage to which I want to draw the attention of the Government? This is what Sir Cecil Walsh says:

> "I heard it often said in Court that at *post-mortems* some of them will not go inside the dissecting room, but look through the window and examine the parts when shown to them by the menial who does the dissecting under their direction. Appellate Judges in the High Court have had to complain of the inadequacy of the reports,"

—meaning the post-mortem reports,—

> "when Indian gentlemen have done the work."

Does the Honourable Member in charge of the Home Department think it any part of his duty to make inquiries from the different High Courts and different Provincial Governments to find out whether this charge is correct or not? (Applause.)

The Honourable Sir James Crerar: I think if the High Courts had any doubts on this point, they would themselves have taken action.

Mr. Lalchand Navalrai: Will the Honourable Member kindly say why the Government is not going to undertake an enquiry whether it was merely his opinion or whether he made that statement to create racial hatred in this country?

Pandit Hirday Nath Kunzru: May I ask whether the Honourable Member is aware that this gentleman, when he was a Judge of the High Court, wrote a book animadverting on the professional morality of Indian lawyers, and that this book formed the subject of a heated discussion in the United Provinces Legislative Council?

The Honourable Sir James Crerar: I have no information, but I am prepared to accept the statement in the latter point of the Honourable Member.

Pandit Hirday Nath Kunzru: Will the Honourable Member bring to the notice of the Secretary of State the habit of this gentleman to inveigh against Indians in public capacity?

The Honourable Sir James Crerar: I have no doubt that the questions and answers on this subject will receive the attention of the Secretary of State.

Pandit Hirday Nath Kunzru: Since this gentleman has expressed his opinion about Indian doctors, may I ask the Honourable the Home Member whether he is aware of what was thought of the Judge himself by the Indian Bar while he was a Judge of the Allahabad High Court? (Hear, hear.)

Mr. President: Colonel Gidney.

Lieut.-Colonel H. A. J. Gidney: A supplementary question, Sir?

Mr. President: Next question.

APPOINTMENT OF COVENANTED NURSING SISTERS IN THE BRITISH FAMILY HOSPITAL, CHAKRATA.

640. ***Lieut.-Colonel H. A. J. Gidney:** (*a*) Will Government kindly inform this House of the expenditure incurred on the nursing staff of the British Family Hospital, Chakrata, during the years 1928-29 and 1929-30?

(*b*) Is it a fact that an Anglo-Indian matron, who was working in this hospital from 1927 to June 1929 was replaced by three covenanted Q. A. M. N. S. sisters on about Rs. 400 per mensem each?

(*c*) Is it a fact that the Anglo-Indian matron had been discharging her duties for a period of 2½ years with occasional and temporary outside assistance?

(*d*) Is it a fact that there are seven sisters in this hospital today?

(*e*) What was the staff of this hospital during the years 1927 to 1929?

(*f*) Is it a fact that these covenanted sisters are sent to the hills every three months and are given free conveyance?

(*g*) Will Government kindly state the reasons for engaging these three sisters on such high salaries and higher expenditure?

(*h*) Were these posts advertised in local newspapers, and were any efforts made to recruit them locally? If not, why not?

(*i*) Are Government prepared to consider the advisability of making every effort in future to recruit locally the nursing sisters required for British military family hospitals in India before covenanting them from England?

Mr. G. M. Young: (*a*) The expenditure incurred on the permanent staff was about Rs. 1,160 in 1928-29, and about Rs. 690 in 1929-30.

(*b*), (*c*), (*d*) and (*e*). The facts are as follows. Throughout 1928-29, a family hospital matron was employed on a salary of Rs. 87 per mensem.

A sister and a staff nurse of the Queen Alexandra's Imperial Military Nursing Service were temporarily transferred to the Military Family Hospital, Chakrata, for urgent cases of diphtheria. They remained there for one month and ten days (30th April, 1928 to 10th June, 1928). As these two lady nurses were found from the permanent cadre of lady nurses for the British Military Hospitals in Eastern Command, strictly speaking, no extra expenditure was involved in their employment at Chakrata. The matron continued to be employed in 1929-30 up to the 16th June, 1929, when she was transferred to Muttra, where a matron was required. The services of a sister of the Queen Alexandra's Imperial Military Nursing Service, who was employed at the British Military Hospital at Chakrata, were then utilised in the Family Hospital for 3 months. On the withdrawal of the Military nurses from Chakrata on the closing of the Military Hospital there, a family hospital matron (an Anglo-Indian) was employed on Rs. 80 per mensem *plus* Rs. 10 for rations, from the 29th October, 1929. This matron is still serving at Chakrata, and is in sole charge of the Hospital. Lady nurses of the Military Nursing Services are transferred in batches to military hospitals in the hills for periods of about three months in the year. They travel at Government expense.

(*g*) and (*h*). Do not arise.

(*i*) Nursing sisters are not recruited for British Military Family Hospitals. The permanent nursing staff of such hospitals consists of a matron only, who is invariably recruited locally.

Lieut.-Colonel H. A. J. Gidney: Is it the opinion of the Honourable Member that the difference between Rs. 80 and Rs. 400 signifies the qualities of duties performed by these two classes of nurses?

Mr. G. M. Young: I think, Sir, that that is a direct invitation to express an opinion.

Lieut.-Colonel H. A. J. Gidney: Is it a fact then, Sir, and not an opinion that these two classes of nurses who are equally well qualified—in fact the Indian one is better trained—are paid Rs. 80 in the one case and Rs. 400 in the other?

Mr. G. M. Young: I must ask for notice of that question.

Mr. B. Das: May I enquire if Hindu and Mussalman nurses are serving in any of the military hospitals? If not, are they allowed to apply for such posts?

Mr. G. M. Young: I should like to have notice of that question; and I should be glad if the Honourable Member, in giving notice of the question, would specify the hospitals he refers to.

GRANT OF FURLOUGH PREPARATORY TO RETIREMENT TO CERTAIN ASSISTANT SURGEONS.

641. ***Lieut.-Colonel H. A. J. Gidney:** (*a*) Do Government recognise the grant of two years' furlough pending retirement to Officers and Warrant Officers of the Indian Medical Department?

(*b*) If the answer to part (*a*) be in the affirmative, will Government be pleased to explain why this privilege was not granted to those Military Assistant Surgeons of the Indian Medical Department, who were retrenched in 1923-24 under the Inchcape Committee's scheme and who had more than 15 years' service to their credit?

(*c*) Have Government considered the question of the advisability of compensating these men who were denied this privilege for no fault of their own?

Mr. G. M. Young: (*a*) Under the existing rules, 12 months' leave pending retirement is admissible on completion of service. This period may be extended to a maximum of two years at the discretion of the Government of India.

(*b*) and (*c*). The Assistant Surgeons whose services were terminated prematurely on account of retrenchment were granted special concessions appropriate to them. There would be no justification for granting them the ordinary retirement terms as well.

Lieut.-Colonel H. A. J. Gidney: Will the Honourable Member kindly say why there was no justification?

Mr. G. M. Young: I have already said, Sir, that the reason was that they were granted special concessions appropriate to them.

Lieut.-Colonel H. A. J. Gidney: May I know whether these concessions were better or worse than the concessions stated in part (*a*) of the question?

Mr. G. M. Young: The concessions differed in kind, because the services of these Assistant Surgeons were terminated prematurely.

COMPENSATION FOR CERTAIN ASSISTANT SURGEONS RETRENCHED.

642. ***Lieut.-Colonel H. A. J. Gidney:** (*a*) When Military Assistant Surgeons of the Indian Medical Department are granted study leave to England, is it the intention of Government to encourage them to obtain a registrable qualification?

(*b*) Is it a fact that certain Assistant Surgeons of the Indian Medical Department who were in England on study leave were retrenched on the recommendations of the Inchcape Committee?

(*c*) Is it a fact that these officers had to return before completion of their studies without any registrable qualification?

(*d*) Have Government considered the cases of these men and do they propose to compensate them adequately to enable them to go to England to complete their studies? If so, with what result?

Mr. G. M. Young: (*a*) Yes.

(*b*) Yes. Four were retrenched compulsorily and six volunteered for retrenchment.

(*c*) I am unable to say whether any of these officers returned to India without completing their studies. One at least of the four who were compulsorily retired, obtained the diplomas of M. R. C. S. and L. R. C. P.

(*d*) All retrenched officers received pensions and compensatory gratuities. Further, under orders issued in 1926, retrenched Assistant Surgeons are eligible for re-employment, provided that they are under 50 years of age; and every Assistant Surgeon who fulfilled that condition and applied for re-employment has actually been re-employed.

X-RAY TREATMENT AT THE LADY HARDINGE HOSPITAL, DELHI.

643. ***Mr. M. K. Acharya:** (*a*) Will Government be pleased to state the reasons for the X-rays Department of the Lady Hardinge Medical College and Hospital for Women, Delhi, being available only for indoor female patients?

(*b*) Under what circumstances are the X-rays not made open for out door female patients on payment of the usual fee?

(*c*) Are Government aware that there is prejudice against seeking admission into the hospital among the orthodox Hindus as indoor patients?

(*d*) Are Government aware that there is no other X-rays' hospital where female patients can go in Delhi?

Sir Frank Noyce: With your permission, Sir, I shall answer questions Nos. 643 and 644 together.

The necessary information has been called for and will be supplied to the Honourable Member on receipt.

X-RAY TREATMENT AT THE LADY HARDINGE HOSPITAL, DELHI.

†644. ***Mr. M. K. Acharya:** (*a*) Is it a fact that, even male patients have been given X-ray and electrical treatment in the Lady Hardinge Medical College and Hospital, which is supposed to be exclusively for women?

(*b*) If the answer to part (*a*) be in the affirmative, will Government be pleased to state, the circumstances in which the Principal made this departure?

QUARTERS FOR INDIAN CLERKS AT SIMLA.

645. ***Khan Bahadur Sarfaraz Hussain Khan:** Will Government be pleased to state, how many classes of quarters with their respective dimensions exist at Simla for accommodating the Indian clerks?

The Honourable Sir Bhupendra Nath Mitra: It is presumed the Honourable Member seeks information about quarters in Simla for married Indian clerks. There are three classes of such quarters, *viz.*, A, B and C. The accommodation provided in each type and the dimensions thereof are shown in the statement which I place on the table.

†For answer to this question, *see* answer to starred question No. 643.

Married Indian Clerks Quarters at Phagli and Tooti Kandi with average dimensions.

Class of quarter.	Main Rooms.	Servants Room.	Kitchen.	Store	Bath.	W. C.	Verandah and passages.	Average Plinth area.
Class A	4—13'9" × 11'7½" 13'9" × 9'7½" 13'9" × 9'7½" 13'9" × 11'7½"	1—(11' 9" × 6' 9½") in 3 blocks but only 1 in the 3rd.	1—(8'9" × 6'9")	1—(5'10" × 4'4")	1—(6'4" × 3'0")	2—2'9" × 6'4" 2—3'9" × 6'4"	2—36'4" × 4'8" 2—38'0" × 4'8"	1443 square feet.
Class B	3—13'9½" × 11'9½" 13'9½" × 9'7½" 13'9½" × 11'7½"	1—(9'7½" × 6'7½")	1—(8'9" × 7'3")	1—(6'9" × 4'9")	1—(6'4" × 5'8")	1—(6'8" × 4'3")	2—25' × 5'2" 2—32' × 5'2"	1174 square feet.
Class C	2—11'6" × 13'6" 11'6" × 13'6"	1—(9'7½" × 6'7½")	1—(9'9" × 7'9")	1—(6'8" × 4'8")	1—(7' × 5'6")	1—(7' × 3')	2—14'9" × 5' 2—16'9" × 5'	967 square feet.

REFUSAL OF LEAVE IN THE FOREIGN AND POLITICAL DEPARTMENT.

646. ***Maulvi Muhammad Yakub:** (*a*) Is it a fact that, in the Foreign and Political Department, the employees are denied their privilege leave, without any apparent reason, while those applying for sick leave are required to submit, in support of their application, a medical certificate from the authority higher than that they are entitled to under the rules?

(*b*) If so, are Government prepared to put a stop to this practice?

Mr. E. B. Howell: The answer to the first part of the question is in the negative. Enquiries have failed to discover any instance of the practice to which the Honourable Member refers, but if he can give me any further information, inquiry will be made into any facts which may be disclosed.

POWERS OF THE FINANCIAL COMMISSIONER OF RAILWAYS.

647. ***Mr. E. F. Sykes:** With reference to the definition of the powers of the Financial Commissioner of Railways quoted by me during the general discussion on the Railway Budget, will Government please state what operations of the Railway Board do not involve expenditure or affect railway revenues?

Mr. A. A. L. Parsons: I am afraid it would be impossible to compile an exhaustive list of the matters which come before the Railway Board which do not involve expenditure. But as examples I would mention the posting of officers, regulations to secure the safety of the public, and much of the technical work both on the Engineering and Traffic sides which is carried on in the Board's office.

USE OF STUCCO IN THE FACE-WORK OF THE ATTIC STOREY OF THE COUNCIL HOUSE.

648. ***Mr. E. F. Sykes:** (*a*) Will Government be pleased to state how much was saved by the substitution of stucco for stone in the face-work of the attic storey of the Council House?

(*b*) Was this substitution made with the object of saving money, or of expediting the completion of the work?

(*c*) If the former, have Government, on seeing the result, been satisfied with it?

The Honourable Sir Bhupendra Nath Mitra: (*a*) The additional cost of stone surfaces for the exterior of the attic storey would have been Rs. 1,50,000.

(*b*) The drawings submitted by the architect showed plaster surfaces and the question whether stone should be used was not considered by Government who were satisfied that the plaster surface picked out with stone would be in keeping with the design as a whole.

(*c*) Yes.

APPOINTMENT OF A MUHAMMADAN TO A GAZETTED POST IN THE OFFICE OF THE FINANCIAL ADVISER, MILITARY FINANCE.

649. ***Mr. Abdul Haye:** (*a*) Will Government please state the total number of gazetted appointments in the office of the Financial Adviser, Military Finance, and the number of Europeans and Indians, respectively, holding these appointments?

(*b*) Is it a fact that there is no Muslim holding any of these appointments?

(*c*) Will Government please state whether any steps have been taken to secure some representation of Muslims for these appointments? If not, why not?

The Honourable Sir George Schuster: (*a*) The total number of appointments is 16 permanent and 2 temporary. Of these 7 are held by Europeans and the rest by Indians.

(*b*) The reply is in the affirmative.

(*c*) Of the 18 appointments mentioned, the appointment of Financial Adviser, Military Finance, is ordinarily reserved for a member of the Indian Civil Service. The four appointments of Deputy Financial Advisers are filled by senior officers of the Military Accounts Department. The remaining appointments are ordinarily filled by promotion from the clerical establishment, on the principle of selection by merit with due regard to seniority. Up to the present time there have been no Muslims in the Department eligible for selection.

PERCENTAGE OF MUSLIMS IN NON-GAZETTED POSTS IN THE OFFICE OF THE FINANCIAL ADVISER, MILITARY FINANCE.

650. ***Mr. Abdul Haye:** Will Government please state the sanctioned appointments of non-gazetted ministerial staff in the office of the Financial Adviser, Military Finance, and the percentage of Muslims holding these appointments?

The Honourable Sir George Schuster: The sanctioned strength is 102 and the present percentage of Muslims is 10.

PERCENTAGE OF MUSLIMS IN NON-GAZETTED POSTS IN THE OFFICE OF THE FINANCIAL ADVISER, MILITARY FINANCE.

651. ***Mr. Abdul Haye:** Will Government please state the number of permanent, temporary and officiating non-gazetted ministerial appointments which fell vacant in the office of the Financial Adviser, Military Finance, after the issue of the Home Department Memo. dated July 1925, regarding the representation of minorities in the services? What percentage of these appointments has been given to the Muslims?

The Honourable Sir George Schuster: The Home Department orders of 5th February, 1926, regarding the redress of communal inequalities, to which I presume the Honourable Member intends to refer, apply only to fresh recruitment to fill permanent vacancies. I therefore confine my reply to that class of appointments. The total number of vacancies in the period mentioned which involved fresh recruitment was 13. Of the 13 recruits, 4 (or roughly one-third) were members of the minority communities and, of these 4 members, 2 were Muslims.

PERCENTAGE OF MUSLIMS IN NON-GAZETTED POSTS IN THE OFFICE OF THE FINANCIAL ADVISER, MILITARY FINANCE.

652. ***Mr. Abdul Haye:** Will Government please state whether any attempt has ever been made to ask the Public Services Commission to recommend Muslims for the Upper Division appointments, in the office of the Financial Adviser, Military Finance?

The Honourable Sir George Schuster: The answer is in the negative. Since the Home Department orders of 1926 were issued, there has been no occasion to ask the Public Service Commission to nominate candidates for direct appointment to the Upper Division of this Office. Vacancies have been filled by the promotion of qualified clerks already on the establishment.

RECRUITMENT OF THE STAFF OF THE OFFICE OF FINANCIAL ADVISER, MILITARY FINANCE.

653. ***Mr. Abdul Haye:** (*a*) Will Government please state the names of the Assistant Financial Advisers in charge of Establishments who have been responsible for recruitment of the staff in the office of the Financial Adviser, Military Finance, after the issue of the Home Department instructions regarding the representation of minorities in the Services? Is it a fact that none of these officers has ever attempted to reserve 33 *per cent.* of the vacancies for the minority communities?

(*b*) Will Government please state whether they have considered or propose to consider the desirability of appointing a special officer to investigate and fix responsibility for ignoring the Home Department instructions? If not, why not?

The Honourable Sir George Schuster: (*a*) The officer responsible for the recruitment of staff for the Office of the Financial Adviser, Military Finance, is the Financial Adviser himself. This question does not, therefore, arise.

(*b*) As I have just stated in reply to a previous question by the Honourable Member, out of 13 vacancies filled by direct recruitment since the Home Department orders of 1926 were issued, 4 were filled by members of minority communities. The proportion of 33 per cent. has therefore been practically worked up to. Consequently, this part of the question also does not arise.

RECRUITMENT OF THE STAFF OF THE OFFICE OF THE FINANCIAL ADVISER, MILITARY FINANCE.

654. ***Mr. Abdul Haye:** (*a*) Will Government please state whether it is a fact that recently some temporary clerks in the office of the Financial Adviser, Military Finance, have been confirmed without their having passed the prescribed test of the Public Service Commission?

(*b*) Is it a fact that the exemption for these clerks has been secured on account of their technical qualifications? Will the Government please state the nature of the technical qualifications? Were these so-called technical qualifications acquired before entering the Government service or after working for some time as temporary clerks?

(*c*) Will Government please state how many of the clerks in question are near relatives, *e.g.*, sons, brother-in-law, etc., of Superintendents and senior assistants already working in that office?

The Honourable Sir George Schuster: (*a*) Yes. The Public Service Commission recently agreed that four temporary third division clerks might be exempted from passing the test prescribed for that Division and they have since been confirmed.

(*b*) The ground on which exemption was asked for and was agreed to was that by four years' experience of work connected with the maintenance of the Medical, Engineering, Artillery and Scientific Stores Vocabularies, a class of work which involves the laborious acquisition of detailed knowledge of the meaning of technical terms, these clerks had acquired special qualifications for that particular type of work. It would, therefore, have been detrimental to efficiency to replace them with new men who would, in their turn, have to acquire this detailed knowledge by experience before they could pull their weight.

(*c*) One of the 4 clerks so appointed had a father, one a brother, and one a cousin in the department. I may add that one of the 4 clerks so appointed was a Muslim. In giving these particulars I must make it clear that any implication that exemption was sought because some of the clerks happened to be relatives of men already working in the office is entirely without foundation.

INDIANISATION OF THE ARMY.

655. ***Dr. B. S. Moonje:** (*a*) Has the attention of Government been drawn to a question recently asked in the House of Commons by Commander Kenworthy and answered by the Secretary of State for India, regarding the extension of the present system of Indianising the Army?

(*b*) If the reply to part (*a*) is in the affirmative, is it a fact, as reported in the *Hindustan Times* of the 7th March, that Mr. Wedgwood Benn gave the following reply?

"He was ready to consider the extension of the scheme when the Government of India felt justified in recommending it on the basis of the results already achieved.".

(*c*) If the reply to part (*b*) is in the affirmative, will Government please state:

(i) if they are satisfied with the results so far achieved; and

(ii) if they are prepared to recommend the extension?

(*d*) If the answers to clauses (i) and (ii) of part (*c*) are in the negative, will Government be pleased to place on the table copies of the reports of the Commanding Officers under whom Indians holding the King's Commission are serving, and also copies of reports received from the Interview and the Record Board about the Indian boys who had appeared before the Board for selection for admission to the Cadet Colleges in England?

Mr. G. M. Young: (*a*) Yes.

(*b*) The report is substantially correct. The full text of the supplementary question and answer referred to is as follows:

"*Question.*—Is the Secretary of State considering the extension of the present scheme of Indianizing 8 units of His Majesty's Army in India?

Answer.—I am ready to consider an extension as soon as the Government of India feel justified in recommending one on the results actually achieved."

(*c*) In the opinion of Government it is early as yet to pronounce upon the results of the Indianization scheme as a whole. But progress has lately been satisfactory, and the last half-yearly entrance examination for Cadet Colleges showed an improvement in the quality of the candidates

as compared with previous examinations. The Government of India are continuing to watch closely the progress of the scheme, and the question when a further move should be recommended is under consideration.

(*d*) Government are not prepared to publish the confidential reports of individual officers, as these reports would then cease to be confidential and would no longer serve their purpose. Any report that may be made by the Interview and Record Board is presented not to the Government of India but to the Civil Service Commissioners, who conduct the whole examination.

Dr. B. S. Moonje: Have Government seen the opinion of the Skeen Committee in their Report that, so far, the Indian officers serving under the British Commanding Officers have served very well and have earned very good opinions?

Mr. G. M. Young: I am not sure if my Honourable friend's quotation was absolutely correct, but something to that effect was said in the Report.

Dr. B. S. Moonje: That part was quoted in my speech the other day and I trust it is correct.

Munshi Iswar Saran: Will the Honourable Member give us a rough idea of the time when the Government of India will be prepared to report for an extension of the Indianisation scheme?

Mr. G. M. Young: I am afraid I cannot make any definite statement at the present moment.

Munshi Iswar Saran: May we take it that the Government of India will be prepared to make that recommendation after a century or 50 years or two centuries?

Pandit Hirday Nath Kunzru: May I ask whether the Government of India have decided to replace the Viceroy's Commissioned officers of the eight Indianised units by Indian King's Commissioned Officers, in order to test further the results of Indianisation?

Mr. G. M. Young: The Government of India propose, at a later stage, to reorganise the officer establishments of Indianising units on the British model. That involves the disappearance of the Viceroy's Commissioned officer and a large increase in the number of King's Commissioned officers.

Pandit Hirday Nath Kunzru: May I ask whether the Government of India will wait till the Viceroy's Commissioned officers have been replaced by the Indian King's Commissioned officers before expressing any opinion on the results of Indianisation?

Mr. G. M. Young: I cannot say that that is what the Government of India will do.

Pandit Hirday Nath Kunzru: May I take it then that the Government of India will express their opinion with regard to Indianisation of the eight units simply on the substitution of Indian officers for the present Company and Squadron officers?

Mr. G. M. Young: I am afraid I have not been able to follow that question.

Pandit Hirday Nath Kunzru: How do the Government of India propose to test the results of Indianisation in the eight units that are to be Indianised?

Mr. G. M. Young: I have already stated that the question when a further move should be undertaken is now under consideration. I cannot enter into any argument as to the precise direction that further move should take or when it should be made.

Pandit Hirday Nath Kunzru: May I take it that the Government of India are satisfied that the results that have been achieved so far are satisfactory?

Mr. G. M. Young: I have already answered that in my answer to the original question.

Dr. B. S. Moonje: Does the Honourable Member mean to say that he is not prepared to accept the recommendation of the Skeen Committee of creating four vacancies every year?

Mr. G. M. Young: The decision on that point was taken at the time when Government's decision on the Skeen Committee's Report was announced two years ago.

Dr. B. S. Moonje: My point is, are the Government of India prepared to create four vacancies every year, as recommended by the Skeen Committee, in order to accelerate Indianisation?

Mr. G. M. Young: I have already answered that. A decision on that point was taken two years ago and announced in this House.

Mr. K. C. Roy: May I ask if any further move is to be made on the basis of the Skeen Committee's Report or on the basis of a new proposal made by the Government of India?

Mr. G. M. Young: That is under consideration and I am unable to forecast it.

UNSTARRED QUESTIONS AND ANSWERS.

APPOINTMENT OF BACHELORS OF COMMERCE IN THE POSTS AND TELEGRAPHS DEPARTMENT.

253. **Khan Bahadur Sarfaraz Hussain Khan:** (*a*) Has the attention of Government been drawn to the letter published in the *Hindustan Times*, dated the 5th March, under the caption "an anomaly"?

(*b*) Is it a fact that the Posts and Telegraphs Department do not recognise B. Com. diploma holders as graduates?

(*c*) If so, will Government please state why this distinction is being kept?

(*d*) If the reply is in the negative, will Government please state why the grade of Rs. 50 allowed to graduates of other universities is denied to B. Com. diploma holders?

The Honourable Sir Bhupendra Nath Mitra: (*a*) Yes.

(*b*) to (*d*). Government are already considering whether for purposes of appointments to clerical posts in the Posts and Telegraphs Department Bachelors and Diploma holders in Commerce should receive the same treatment as that accorded to graduates and intermediates in Arts and Science.

CONSTRUCTION OF A BUND ACROSS THE RIVER TUNGABHADRA.

254. **Rao Bahadur B. L. Patil:** Will Government be pleased to state whether the Government of Madras and the Government of Bombay are negotiating as to their jointly undertaking the construction of a bund across the river Tungabhadra for the purpose of carrying out irrigation schemes within their respective territorial limits?

The Honourable Sir Bhupendra Nath Mitra: I am not sure whether it would be correct to say that the Government of Madras and the Government of Bombay are negotiating with a view to undertaking the construction of the work referred to. From enquiries which I have made, I have ascertained that the position is that in 1927 the Madras Government asked the Bombay Government what their attitude would be to such a project. The latter Government asked for certain particulars some of which have since been given, others will be given as soon as certain investigations which are now being made have been completed.

REMISSION OF LAND REVENUE AND TAQUAVI IN THE DELHI PROVINCE.

255. **Pandit Thakur Das Bhargava:** (*a*) Is it a fact that, during the last months, five conferences of village people in the Delhi Province have passed resolutions requesting Government to suspend the collection of *taquavi* and to remit land revenue for the last harvest which has totally failed? Is it also a fact that more than 100 petitions have been submitted with the same request during this period and about seven deputations have waited on the authorities concerned and laid before them their request in this particular?

(*b*) If the reply to the above is in the affirmative, will Government kindly state what action, if any, they have taken or propose to take in this matter?

Sir Frank Noyce: The information is being collected and will be supplied to the Honourable Member in due course.

DEMOLITION OF A BAZAAR IN AMBALA CANTONMENT.

256. **Pandit Thakur Das Bhargava:** (*a*) Has the attention of Government been drawn to an article headed "The Regimental Coffee Shop Contractor" in the *Cantonment Advocate* of November, 1929?

(*b*) Is it a fact that the N. C. Line Bazaar, Ambala, is going to be demolished to benefit the coffee shop contractor of the regiment stationed near the bazaar? If the reply is in the negative, what are the reasons for its proposed demolition?

(*c*) Since when has the bazaar been in existence?

(*d*) Have the shopkeepers of the bazaar protested against the demolition? What action has been taken on their protest?

(*e*) Do Government propose to compensate them for the sudden dislocation of their business, established there for several scores of years?

(*f*) How do Government intend to proceed in case of the refusal of the shopkeepers to vacate the shops?

(*g*) Has the regimental bazaar at Nasirabad been put out of bounds for months together? If so, why?

(*h*) Has the All-India Cantonments Association approached His Excellency the Commander-in-Chief for an interview in this matter? If so, has His Excellency been pleased to grant the interview?

(*i*) What is the coupon system prevailing in the regiments? Since when has it been introduced? Does it affect the interests of the soldiers in the way referred to in the article?

(*j*) Do Government propose to go through the whole question of coffee shop contracts with a view to safeguard the interests of shopkeepers, who have settled for generations in the cantonments?

Mr. G. M. Young: (*a*) Yes.

(*b*) No, Sir. The demolition of the bazaar forms part of the project for the reconstruction of the Hardinge Line.

(*c*) The Government have no information.

(*d*) In December 1929, the shopkeepers submitted a petition praying that they might be given a further six months' notice of vacation as they had understood that the notice issued in February 1929 had been withdrawn. The original notice had *not* been withdrawn, and they were informed that they must vacate before the 10th February, which date was later extended to 10th March, 1930, as an act of grace.

(*e*) The bazaar is the property of Government. The shopkeepers are tenants and have been given adequate notice. The question of compensation does not therefore arise.

(*f*) I cannot answer a hypothetical question.

(*g*) Yes, Sir, for reasons which Government consider good and sufficient. The Officer Commanding the station has full discretion in the matter.

(*h*) The Association sent a memorial to His Excellency the Commander-in-Chief in October, 1929, but did not ask for an interview. The last part of the question does not therefore arise.

(*i*) The Coupon system is a system under which a soldier buys a book of coupons from the contractor, the cost of which is debited against his pay, and uses the coupons instead of cash in making purchases from the contractor. The system has been in force in India for very many years, and Government have no reason to believe that it affects the interests of the soldier in the manner referred to.

(*j*) No, Sir.

POWERS DELEGATED TO THE EXECUTIVE OFFICER, CAWNPORE CANTONMENT

257. **Pandit Thakur Das Bhargava:** (*a*) Is it a fact that the Cantonment Authority of Cawnpore has delegated some of its powers under the Cantonments Act, to the Executive Officer? If so, will Government state specifically what the delegated powers are?

(*b*) Under what section of the Cantonments Act, has the Cantonment Authority delegated its powers to the Executive Officer?

(*c*) Does the Executive Officer, Cawnpore, sanction all prosecutions and launch them himself on behalf of the Cantonment Authority without reference to it? If so, under what section of the Cantonments Act he has been permitted to do so?

(*d*) Are Government aware that there is considerable discontent in Cawnpore Cantonment, owing to the Executive Officer's sanctioning prosecutions without the Board's sanction?

(*e*) If the delegation of powers by a Cantonment Authority to the Executive Officer be not legal, do Government propose to take steps to issue instructions that this is not to be done?

Mr. G. M. Young: Government have no information.

I am making inquiries and will let the Honourable Member know the result.

REJECTION OF A RE-BUILDING APPLICATION BY THE EXECUTIVE OFFICER, CAWNPORE CANTONMENT.

258. **Pandit Thakur Das Bhargava:** (*a*) Is it a fact that one Kaloo Mohant, a resident of Mirpore Street in Cawnpore Cantonment, applied last year for the rebuilding of his house, No. 394?

(*b*) Is it a fact that the Executive Officer returned his application and refused to entertain it on the ground that the land under his house had been resumed?

(*c*) Are Government aware that Kaloo Mohant protested that the land was still in his possession, that no legal proceedings had ever been taken for its resumption, and that his application should be laid before the Cantonment Board for disposal under section 181 of the Cantonments Act, 1924?

(*d*) Is it a fact that, in spite of his protest and repeated requests, the Executive Officer did not lay his application before the Cantonment Board and refused to entertain it?

(*e*) Under what section of the Cantonment Act did the Cantonment Authority refuse building applications on the ground that the ownership of the land is disputed by Government?

(*f*) Is it a fact that Government have issued instructions to every Cantonment Authority in India that it should not use its municipal powers of sanctioning building applications to establish Government rights in land? If so, what action do Government propose to take for the infringement of their instructions in this case?

(*g*) Under what section did the Executive Officer dispose of a building application submitted to the Cantonment Authority? Did the Cantonment Authority delegate its power under section 181 of the Cantonments Act to the Executive Officer? If so, under what section?

(*h*) If the delegation is not legal what action do Government propose to take in order to undo the act of the Executive Officer, Cawnpore?

Mr. G. M. Young: I am inquiring into the facts of this case, and will inform the Honourable Member as soon as I am in a position to do so.

RESUMPTION OF BAZAAR SITES IN CAWNPORE.

259. **Pandit Thakur Das Bhargava:** (*a*) Has the attention of the Government been drawn to an article headed "Resumption of small Bazaar sites in Cawnpore", in the *Cantonment Advocate*?

(*b*) If so, will Government be pleased to state for what purpose these petty sites have been resumed? What procedure was adopted in resuming the same in each case?

(*c*) Are Government aware that the owners of these sites are very poor people, rendered homeless by the alleged resumption, and that they hold regular sale deeds for the property standing on these sites?

(*d*) Are Government aware that the only reason for resuming these sites was that the houses standing thereon were in a dilapidated condition and that there was some delay on the part of the owners to rebuild them?

(*e*) Is it a fact that, when these owners applied to rebuild their houses, they were informed that their applications could not be entertained as their sites were resumed?

(*f*) Has the All-India Cantonments Association made a reference about this subject to Government? If so, what reply has been sent to the Association?

(*g*) Do Government propose to consider the question of cancelling the alleged resumptions?

Mr. G. M. Young: The Honourable Member is referred to the answer given by me on the 22nd February to unstarred question No. 172.

LEVY OF A PROFESSIONAL TAX IN DALHOUSIE CANTONMENT.

260. **Pandit Thakur Das Bhargava:** (*a*) Are Government aware that the Cantonment Authority of Dalhousie, which is a corporation sole, has proposed to levy a professional tax on the people?

(*b*) Will Government state what has led to the proposal of this new tax?

(*c*) What is the total civilian population of Dalhousie Cantonment at present? How does it stand as compared with the last census?

(*d*) What is the estimated yield from the new tax?

(*e*) Is it a fact that, even a petty shopkeeper selling petty goods not worth Rs. 40 in all, will have to pay an all round amount as professional tax under the proposed rates of the Cantonment Authority?

(*f*) Why do Government not give some grant-in-aid to the Dalhousie Cantonment, if there be some deficit to justify the new tax?

Mr. G. M. Young: The Government of India have no information. Taxation in Cantonments is the concern of the Local Government, to whom a copy of this question and answer will be communicated.

ELECTION OF MEMBERS TO THE COMMITTEE ON PUBLIC ACCOUNTS.

Mr. President: I have to inform the Assembly that the following three Members have been elected to the Committee on Public Accounts, namely:

1. Mr. S. C. Mitra.
2. Mr. G. Sarvotham Rao.
3. Mr. Anwar-ul-Azim.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR ROADS.

Mr. President: Members will now proceed to elect six Members to the Standing Committee for Roads. There are 14 candidates whose names are printed on the ballot papers which will now be supplied to Honourable Members in the order in which I call them.

(The ballot was then taken.)

THE INDIAN FINANCE BILL.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to move:

"That the Bill further to amend the Sea Customs Act, 1878, to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, and further to amend the Indian Paper Currency Act, 1923, and the Indian Finance Act, 1926, be taken into consideration."

It is not necessary for me at this stage to add to the general explanations as to the purport of this measure which I have already given to this House in my budget speech. There are two points on which I desire to convey certain information to this House. In the first case, I have to inform Honourable Members of the decisions taken by the Governor General in Council as to the cuts in Demands for Grants which have been passed in this House. It has been decided by the Governor General in Council to restore the amount of Rs. 5,46,999 cut from the Demand under Army Department. The other three cuts will be allowed to stand.

The second point on which I would like to give certain information to the House is in connection with the import duty on silver. I have had the advantage, since the introduction of the Budget, of receiving certain suggestions from non-official Members as to the implications of the proposed import duty on silver. I am glad to take this opportunity of acknowledging the value of the suggestions which I have received. As a result, Government have decided, in the first place, to introduce a Bill imposing a countervailing excise duty on silver, and in the second place, I can say that Government have decided to accept the amendments to be moved by my

Honourable friend, Sir Purshotamdas Thakurdas, for increasing the import duty on silver thread and silver ware. The object of these amendments is that the imposition of an import duty on silver should not place manufacturers of silver thread and silver ware in a less favourable position than they would have been if the import duty on silver were not to be imposed.

Sir, that concludes all that I have to say in connection with the Finance Bill at the present stage.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Sir, in rising to support the motion made by the Honourable the Finance Member, I need hardly remind the Honourable Members that the Finance Bill is the authority given by this House to the Government to collect certain duties to most of which we have been accustomed for the last few years. In the ordinary course, one would have hesitated to support a motion which involves additional taxation to the tune of six crores of rupees, and feeling as we do on this side of the House that the capacity of the Indian taxpayer to pay any additional taxation has ere now been reached, it is with a heavy heart that I extend my support to this Bill. I feel that, in spite of the explanations which the Government of India have given of the policy which they have till now followed, many on this side of the House are not convinced that the Government of India are progressing towards an exit from the dark forest of depression in which they have put this country—depression which may be due to world conditions, but which certainly has been accentuated by the currency policy that the Government of India have persisted in following since October, 1924, when the 1s. 4*d* gold exchange rate was deliberately passed. Sir, this Bill involves change in taxation under seven heads and if one tried to discuss the implication of each new tax or of remission in taxation, I am afraid the discussion on this motion of my Honourable friend might take much longer than has been the case with the Bill which we left behind yesterday in order to catch up time to see the Finance Bill through. I do not know if the House will consider me bold if I suggest that, on this motion, we restrict ourselves only to general observations without going into the details of each taxation, because, on the agenda paper, I see a large number of amendments dealing with each head of taxation. In any case, Sir, I propose myself not to dwell at any length on the various items of taxation, either new taxation or reduction in taxation, and I will make a few observations regarding what I consider to be general observations which cannot be mentioned under the various amendments which will come up for discussion later.

My first complaint, Sir, regarding the Honourable the Finance Member's proposals for new taxation is that he seeks to draw much more from fresh taxation than he needs to balance the budget. Judging from page 6 of the Explanatory Memorandum by the Financial Secretary, it appears that for the Budget of 1930-31 the Finance Department are estimating for an additional net revenue of Rs. 4 crores 10 lakhs under the six heads of taxation mentioned therein, and Rs. 70 lakhs more from income-tax, which must be added to it. This makes it Rs. 4 crores and 80 lakhs, and as a result of this fresh taxation, which will come into force within the current year, another Rs. 35 lakhs more would be raised. The total net receipt to Government from fresh taxation would therefore be about Rs. 5 crores and 15 lakhs during the thirteen months from 1st March, 1930, to 31st March, 1931. Sir, these estimates are very much on the

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over-conservative side, and I cannot help feeling that, on a very modest calculation, of the minimum which the Finance Department should receive by this fresh taxation will be at least Rs. 6 crores during the year 1930-31. A friend behind me, Sir, suggests that it will be more than six crores. I said "basing it on a very modest calculation". I wish to mention, when I give this figure of Rs. 6 crores as my estimate, the fact that, if the Government of India do not sell silver in India during the next year, the revenue under the head silver duty will be considerably higher than what has been estimated by Government. And their estimate is a crore; my estimate is that Government will get a crore and a half at least. But should the Government sell silver here, it must be clear that the price of that silver will include the duty which is proposed, and to the extent of the duty Government will get, though not directly under the head "Customs revenue", in their coffers that extra four annas per ounce in the price of silver which they realise. I am aware that the Honourable the Finance Member has said that he does not desire to commit himself to any particular policy regarding sales of silver, but what we would like is that the Government of India should make a clear declaration of their policy if the savings of the masses of India, which are mostly in silver, are to be saved further artificial depreciation. But I will not dwell on this here; I see that there are one or two amendments in that connection on the paper, and I will now revert to the main theme with which I began, namely, that the Government of India seek to draw more from fresh taxation than is necessary for the purpose of balancing their Budget.

I am convinced, Sir, that it is not necessary for Government to draw as much as six crores of rupees which these various items of fresh taxation indicate. In spite of the hope which the Honourable the Finance Member has mentioned in his budget speech that, should there be a surplus at the end of the year, that surplus may be earmarked for the use of the provinces when the next reforms come to be started, I feel that in spite of this assurance, we owe it to the taxpayer to give to the Government of India only just enough to balance the Budget and no more. As to what exact item or items the Government of India would be prepared to cut out from their proposals, I would like to know from the Honourable the Finance Member himself. Although the various items of additional taxation are not, on the whole, as exasperating as, at times, they have been in the past, there is no doubt that, regarding the question of silver duty, there are two views, equally justifiably held by both sides, the one view being the view held by the Honourable the Finance Member himself, and the other view being that held by the Indian public, and especially by that section of the public which is solicitous of the well being of the masses. Not that I wish to suggest that this latter aspect has escaped the notice of the Honourable the Finance Member. But I wish to warn the Government that the silver duty may be selected for omission. I do not wish to touch upon the merits of the other items, and I will pass on to a few observations which I wish to make regarding one or two special heads of taxation, which I think might very well have received the Honourable the Finance Member's attention.

Sir, I desire to mention to the Honourable the Finance Member a situation which has arisen in connection with the salt trade of India. Thanks to the Honourable Member's anxiety to be responsive to what

may come from this side of the House; he has, as a result of continued representation from us, referred to the Tariff Board the question of the salt industry in India,—I need hardly assure the Honourable the Finance Member that we on this side, and I especially, appreciate his response to our request in that connection. Under the able guidance of the retiring President, Sir Padumji Ginwalla, I understand that the Tariff Board's inquiry is very nearly completed, but I wish to give to the House and to my Honourable friend, the Finance Member, an idea as to how vested interests from abroad begin to work up by anticipating any measure which the Government of India may take in order to make this country self-contained, and I wish to draw the Honourable the Finance Member's particular attention to the necessity of taking some urgent action if real disaster to Indian enterprise in this connection is to be avoided. The Tariff Board have already issued a volume of their preliminary evidence, and I refer to page 172 of that volume, in which are given, under Appendix A, the rates of common salt, I mean the average wholesale prices in Calcutta. It begins with the year 1890, when the rate of salt ex-ship was Rs. 85-12-2 per hundred maunds and goes on till 1929, when the rate is given at Rs. 66-9-0. In February of this year the rate was as low as Rs. 55, and this is the lowest rate for salt during the last forty years. There is a strong suspicion that this drop may have been brought about for the purpose of stampeding out indigenous efforts in this enterprise, and the rate of Rs. 55, which was touched last month, leaves not only no profit to the indigeneous producer but almost brings on him a loss of about Rs. 7 to Rs. 8 per 100 maunds. Now, I ask, how long do the Government of India propose to be silent onlookers of such a policy of tiring out efforts at manufacture of salt here? It may be asked here, what is my complaint while salt is available to the people at such a cheap rate? If it was a genuine effort in that direction, none would be more glad than myself, but it is a desperate effort to retain and fortify the monopoly which foreign interests have enjoyed till now. I wish to suggest very earnestly to the Honourable the Finance Member that, if the good work which he has started by referring the salt question to the Tariff Board is not to be frustrated, it is very necessary to ask the Tariff Board to submit an *interim* Report whether any *interim* action is required to be taken whilst the Government of India take their usual time to consider the Tariff Board Report and to come to their own conclusions. Let me say, Sir, that, in the ordinary course of business, such efforts by people who have vested interests are not unknown. I am not complaining against the people who resort to this method of a steady lowering of prices in order to tire out prospective competitors. For, from the year 1927, when the Assembly began unmistakeably to assert their opinion on the salt question and it looked likely that some steps would be taken by the Government of India in this direction, the price of salt has dropped steadily. In 1927 the price was Rs. 104-9-0, a rate which left a very good margin of profit to local manufacturers and to those who imported salt in this country; in 1928 the price dropped to Rs. 88-4-0; in 1929 it fell to Rs. 66-9-0, and in February of the current year the price has gone as low as Rs. 55, a rate which leaves not only no profit, but as I said before, involves a loss. It is likely that, with the policy which Government have consistently pursued in the matter of closing down all private enterprise to create their monopoly in salt for a hundred years, it may take some time for Government to get in India all the necessary salt

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works going. The Government of India may take a couple of years or more to come to a decision. In the meantime, are those who have invested in these enterprises to be left at the tender mercies of these foreign syndicates and allowed to be wiped out of existence? I earnestly trust that the Honourable the Finance Member will look upon my suggestion as only a corollary to what he has done till now. If the Tariff Board reports that nothing requires to be done in this direction, I will have nothing to say. All that I am urging is that the Tariff Board may be asked to report on the conditions which have developed owing to the drop in prices, so that the public may be satisfied that the Government of India do not wait to take their decisions until the worst has been done to the Indian enterprise, which appears to be developing in the right direction, as far as my information goes.

Sir, the interests concerned in imported salt are not British interests. India is one of the principal countries to which mostly British salt was exported at one time. This, however, gradually declined since 1888-89 when it was 78·55 per cent. of the imports into Calcutta of British salt, and it has now dropped to 13·65 per cent. in 1927-28, as is shown in the following statement. In 1889, the total imports of salt into Calcutta were 366,565 tons, of which the import from the United Kingdom was 287,945 tons. It steadily declined till in 1927-28, the total import into Calcutta was 596,220 tons, of which the United Kingdom's share is 81,225 tons, being a percentage of 13·63. I need hardly say that salt from Aden cannot by any stretch of imagination be included in foreign salt, but if this import from the United Kingdom is as small as these figures which I have just now quoted indicate, may I ask whether it is necessary to hesitate to find out exactly why these foreign interests, which control the price of salt—and that is being done from Calcutta—should have any special consideration from the Government of India.

12 NOON.

The Honourable Sir George Schuster: Does my Honourable friend suggest that we are less ready to inquire if the imports are from the United Kingdom?

Sir Purshotamdas Thakurdas: I am very glad to have this assurance from the Honourable the Finance Member. I wished to mention that, as in this particular case the trade of the United Kingdom with India is not to be affected, it may be easier to have an inquiry without delay. I am grateful to my Honourable friend that he has put me a question which carries its own answer, that whether salt came from the United Kingdom or from other countries, the attitude of the Government of India would be the same. I therefore leave this subject with this earnest appeal to the Government of India to follow up the good work which they have started by reference of the salt question to the Tariff Board.

Sir, I wish to know why the Honourable the Finance Member did not turn his attention when he wanted more revenue by import duties to imports of wine, liquors and spirits. Every year during the last two or three years during the discussion on the Finance Bill I have indicated the great responsibility which lies on the shoulders of the Government of India in connection with very prompt action about the question of prohibition in India. I know the question is a provincial one, but I also know that many provinces who wish to progress in this connection have found

themselves rather badly fettered when they find that side by side with their prohibition policy imported liquor and wine have a free field in their provinces. Naturally they felt that their self-denial, as far as their province was concerned, only happened to be the gain of the Government of India. Sir, I cannot believe that the Government of India, or the Honourable the Finance Member, can possibly be anxious to earn the reputation of blocking the efforts of the Ministers in the provinces, who are making genuine and self-sacrificing efforts in the direction of prohibition. Why have the Government of India not taken any steps to find out what the provinces desire, and why is wine, liquor and imported spirit, left completely untouched in this Finance Bill? Is it the apprehension of the Government of India that they would be hitting the consumer of these, if they raised the duties beyond a certain point? Or, is it that they apprehend that, if they raise these duties above the present figure, they would not get more than what they get at present? What is the consideration given by the Honourable the Finance Member to what sane India —I particularly use the word "sane" in its fullest significance—has been pleading to stop the intoxication of our masses? Can it be the anxiety of the Government of India not to make liquor as costly as possible? I would very much like to hear from the Honourable the Finance Member why this one head of revenue has not yet attracted his attention? Even if Government get half a crore, it would be such a healthy indication given to the various provinces of the sympathy of the Government of India, that I am very much inclined to suggest to the Honourable the Finance Member, just for the purpose of giving a heartening gesture to the provinces, that this duty may be thought of even now. It would be more welcome to this side of the House than any of the duties which he has got in his schedule. I do not wish to say more about it. I am convinced that the Honourable the Finance Member only needs a little more pressure from us here, in order to enable him to do his best in this connection. May be this year, he has concentrated his attention on what will bring in crores and not attached much importance to multiples of ten lakhs.

Now, Sir, regarding the import duty on silver, may I congratulate the Honourable Member on the completion of his scheme by introduction of the Bill which he introduced yesterday in connection with the excise duty on silver. Regarding income-tax, I, for one, feel that, if taxation has to be increased, those who pay income-tax on incomes over Rs. 15,000 may well bear their share of the additional taxation. My Chamber do not support this, but I am sure that they would support this increase in income-tax and super-tax but for sound reason for their not doing so. That reason is this. They feel that the Finance Department have not attended to the bare requirements in justice of those who pay income-tax and super-tax. In England there is a very useful provision that, if a man has incurred loss in the previous year, for the purpose of assessment of income-tax he is allowed to write-off the previous year's loss up to a certain extent. The Government of India had perceived the equity of this, and my Honourable friend the Finance Member has told us before now that he will try and have it introduced in India hereafter. Surely, Sir, if the Government of India feel that those who pay income-tax and super-tax should carry their burden of the additional taxation, is it not up to them to see that, side by side with that call of duty, they also do bare justice to those who at present are being treated very unfairly? A man may have lost, say Rs. 1,00,000 last year, and naturally there is no taxation which

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he has to pay. He may make a profit of Rs. 2,50,000 this year and he is assessed to it. He may again make a loss of Rs. 2,00,000 next year and he finds that taking the period of three years as a whole his loss in business, *viz.*, Rs. 50,000 is increased by the payment of income-tax and super-tax on Rs. 2½ lakhs profit in the second year. Now, I ask the Honourable the Finance Member whether he does not owe it to this class of taxpayers that he should do them justice side by side when he asks them to increase their burden. We of the commercial community are prepared to bear our burden of the additional taxation which may be required, but we do expect that the Finance Department should first attend to our genuine grievances without trying our patience and then ask us to shoulder a fresh burden of taxation.

I feel, Sir, that I should not take up more time of the House today, and I will only say one word regarding my amendment on the silver duty, namely, the readiness with which the Honourable the Finance Member saw the point of view which I put forward marks a welcome departure in the mentality of the Government of India as exhibited till now. I will develop this point later on when my relative amendment comes.

Mr. N. C. Kelkar (Bombay Central Division: Non-Muhammadan Rural): Sir, my friend, Sir Purshotamdas Thakurdas, has said that he is prepared to give the Government what is enough to balance the Budget. I rise to strike quite a different note, namely, to oppose the motion that the Bill be taken into consideration. And as I am going to explain my purpose presently, it is necessary that I should follow this method at the beginning rather than at the end. It is much easier to oppose a motion that the Bill be taken into consideration than to oppose it when the Bill has been amended and practically the House has expressed its opinion upon its details. My opposition is based on principle and I think I must raise that opposition at the very beginning. By this Bill the Finance Member, of course, asks for supplies to this Government which, as I said on a previous occasion, is irresponsible to the Legislature and therefore in my opinion it does not deserve any supplies at the hands of the Legislature till it becomes responsible to it. Therefore, I oppose this Bill.

Sir, there are three recognised occasions for the opposition in this House to comment upon the Finance Member's policy or the policy of the Government. In the general discussion of the Budget we are supposed to criticise mainly only the financial policy of the Budget. In the discussion on the Demands for Grants we give cut motions. There we discuss the merits of a thing here and a thing there, though, of course, even those cuts are intended to a certain extent to express our censure upon the departmental administration, or at least certain aspects of it. But that, if I may say so, is only a retail business of censure. The Finance Bill, however, is a consolidated measure asking for revenue and supplies and in that sense therefore it is a consolidated measure for asking the confidence of this House. Sir, if it is a consolidated demand for confidence, we must take the earliest opportunity to meet that demand for confidence by a consolidated measure of censure. This, therefore, is a wholesale business and the other was a retail business.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): Same man cannot do both.

Mr. N. C. Kelkar: Some people have two shops in one city, one of them is a retail shop and the other a wholesale shop.

Sir, "grievances before supplies" is the common place of parliamentary theory and practice. In these three simple words is embodied a world of political wisdom. It is a consecrated formula and has so been consecrated by the practice of free nations up to this time. Sir, it is not very pleasant to oppose the whole of the Finance Bill, but it is a clear constitutional duty. I may assure the Honourable the Finance Member that I do not like to hear my own voice any more than he likes to hear his own voice. But if he cannot escape from opening his lips for demanding supplies, I cannot escape from opening my lips for refusing that supply, and this process must go on till the Government actually become responsible in course of time. It may be said that our opposition is not going to succeed. I know that, but that is no reason why we should not offer that opposition. Guaranteed success is not the only condition of effort and endeavour in this world. Our purpose will be proportionately served if we can say something about our opinion of this Government which will ring in their ears. We shall make them hear our opinion about them and then leave to their guilty conscience and to their supplies which will be tainted with our censure. The other day Mr. Baldwin said something very similar to the Labour Government. He said: "My censure motion may be defeated, but just as the rains washed out corn laws, so will unemployment wash out this Government." Varying the phrase, I shall say to this Government: My opposition may be defeated, but a day will come when this irresponsible Government will be washed out by the unceasing national agitation of the country. My opposition to the Finance Bill is not irresponsible. My friend Mr. Jinnah rightly described himself as a responsible Member of the Assembly, but even he and the whole of the Swaraj Party, of which I am proud to say you, Sir, were at one time a responsible member, headed by Pandit Motilal Nehru, that astute practical politician, threw out the Finance Bill in 1924 and the Bill had to be restored.

Mr. M. A. Jinnah: I may remind the Honourable Member that I was neither present at the time nor did I vote on that occasion.

Mr. N. C. Kelkar: Did you ever throw out any Finance Bill?

Mr. M. A. Jinnah: No.

Mr. N. C. Kelkar: I will have to verify that. In 1923 the Assembly refused to sanction an increase in the salt-tax and amended the Finance Bill. The Governor General then took the responsibility of restoring it. In 1928 we made large cuts in the expenditure of the Executive Council under Miscellaneous and under Expenditure in England. This year Mr. Jinnah voted to cut down Rs. 5,46,999 under Army expenditure. All this was done with the full knowledge that the present irresponsible Government would restore the items. Also with the knowledge that the administration of these departments in that year would not go on without having much money to spend. If that action was regarded by the authors of that action as responsible, surely there is no reason why my opposition or our opposition to the whole Finance Bill should be regarded as irresponsible. In view of the chances of its failure, our opposition to the Finance Bill may be regarded by some as merely formal. In the first place, it is not formal in the sense of being insincere. By my opposition

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I do exactly mean what I say. But I would like this irresponsible Government to come to grief for want of funds to carry on the administration. But, even supposing it has the appearance of formality, what does it matter? Are not there so many other formalities through which we in this House have to pass from the ushering in of the President to the adjournment of the House? If supply must be asked for in a formal manner, it must also be opposed in a formal manner. They are the two poles, the positive and the negative, of one constitutional action. If Government's administration must go on, so also must the nation's protests and His Majesty's opposition. Sir, we cannot afford to go by default in this matter; for the pretence of Government before the world is that they govern and get supplies for their Government by the free consent of the nation. We must therefore knock down that pretence on the head and as promptly and as forcibly as we can. As in legal practice, so in this Legislature any prejudicial assertion must be met promptly by its denial. The Government may be irresponsible, but we are responsible to our electors and the nation, for a prompt, active and vocal protest. The protest must be put on record point by point, as often and in as many forms as the demands themselves are made upon this House. In offering my protest and my opposition, I am therefore in full earnest, but I shall not however use any strong words of abuse and that will be so, not because this Government does not deserve any such words of abuse but because words of abuse may spoil one's culture. In 1928, Sir Basil Blackett said "Whatever the merits of the censure that was intended, it was obvious that the money was required". In that callous spirit our acquiescence is always demanded for supply and expenditure. No opportunity is wasted by the Government to tell us in effect this, "We shall have our own way whether we get your consent or not". That is in all conscience, a very humiliating position for the nation. And our reply to that callous observation will be this, "Whatever the merits of your demand for supply, it is obvious that the nation must record its uniform protest". It may take some time for us to bring Government to its knees. But we, the elected Members, will be unworthy of our trust, if we ever fail to record our protest at every point of contact where Government is likely to construe our silence into consent.

Sir, in free countries, Cabinets are responsible to the Legislature. And the practice about votes of censure is different from that in this country. There Cabinets are so susceptible of honour and dishonour, confidence and censure that Cabinets resign if any important cut, motion or amendment of a Bill, much more so in money Bill, in respect of a material particular, is carried against them. They keep their official escutcheon so polished and clean that any tiny blot thrown upon it, they regard as a challenge for a fight. They take up their sword and shield and go to the arena to fight a duel in new election with their political opponents. And the whole nation ultimately gives the verdict. The purpose of censure is therefore satisfied in these countries by motions or amendments on details. It very rarely comes to throwing out the Finance Bill. Success in a skirmish on the mere outposts naturally obviates a battle royal. But in this country it is quite otherwise. Here an irresponsible Government is permanently installed in office. Their body, from top to bottom, is covered with a two inches thick hide of rhinoceros of irresponsibility. What effects, therefore, can the slings and arrows of our censure produce on

this pachydermatous beast? We have therefore to take wholesale measures against them. And if we cannot seize upon their throats and kill them, we may at least try to fell them by pulling their legs. (Laughter.) Sir, if I go on pointing out our grievances and the blemishes and weaknesses of this Government and of their failures in duty, it would be quite a long roll and it would be quite tedious. I therefore give up that aspect of the debate in this matter.

I shall only take up the central question, namely, about the policy of Government, and show where the whole policy of the Government is wrong in a number of ways. I shall therefore briefly explain the heads under which I consider the policy of the Government is wrong. The first point about their policy is the exploitation of wealth and resources of India whether it be agricultural or mineral or otherwise. Secondly, they use India as a pivot of the Empire and use her military resources for aggression in other parts of the world unconnected absolutely with the defence of India or the interests of India. The other day I came across a cutting in the *Daily Herald*, which throws a flood of light upon all the activities of the Government of India here and of the English speaking people abroad. This is from the *Daily Herald*:

> "In the middle of the Great War it had come about that the British Government was subsidising ex-King Hussein of Iraq while the Government of India was subsidising King Ibn Saud. The British Empire, in fact, was backing both sides to fight while somewhere in the middle the British official, Mr. Philby, was trying to make peace."

This is how the activities in other countries are being financed and helped by the Government of India.

Then my third point of policy is that the Government are allowing other Members of the Empire a free hand in illtreating and humiliating Indians, and for that I need only mention the case of East Africa, South Africa and the latest case about the franchise in Ceylon. Then, the fourth point in their policy is the systematic suppression of Indian talents and abilities. Then the fifth point is the encouragement of disunion among classes, sections and races in India, that is the policy of divide and rule. The sixth point in their policy is the putting of heavy handicaps on industrial and economical development of India. The seventh and the last point is the emasculation of India's manhood by disarming and non-Indianisation of officers' ranks of the Army. The other day in the Library I came across a Red Book containing hundreds of pages giving the names of Indian soldiers who had won the V. C. in the War, and sometimes I feel tempted to fling that book at the head of any man who says that in India they cannot get Indians to man the officers' ranks in the Indian Army. But that subject I am going to leave to my Honourable friend Dr. Moonje who I think will more ably deal with it than myself.

An Honourable Member: Give him that Red Book.

Mr. N. C. Kelkar: Yes, I will give him that book. He will perhaps fling it more forcibly than myself. I say the Government should note one fact, that a gradual change, perhaps not gradual but even a swift change, is coming on political opinion in India. First, during the last 75 years, came the generation of loyalists and toadies in India, and they have had nothing to do with politics. The second generation was of admirers of British rule at a distance, and they were enamoured of that rule, but they were not toadies. That was an improvement. The third generation was

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of believers in reasoning and persuasion only. If they could produce statistics and figures and manipulate them by beautiful arguments, they were sure that the British Government were so reasonable in their minds that their best arguments were their best weapon. That was the next generation. Then came the generation of the sleeper awakened. In the three past generations, neither loyalty nor toadism, nor expressions of admiration and admiration nor sweet reasonableness or persuasive arguments had any effect on the Government. Then came the generation of people who saw that they were sleeping so far and they were now awakened. Then came the generation of people who combined co-operation with strong criticism but who did not go beyond strong criticism. Then came the generation of obstructionists who said—as I am saying now—that whatever the merits of the demands of Government, our duty was to put forward obstruction to Government, because what Government wanted to get out of the Legislature was not really out of the free will of the nation or the Legislature; and they wanted, as we do now, to knock that pretence on the head that, Government has the backing of the Legislature. Then came the passive resisters, men who were not afraid to go to jail. And lastly I may mention the generation of revolutionaries, who are now giving an account of their activities and sacrificing their lives like anything in the different parts of the country. All this change has taken place during the last 75 years. I wish Government to notice the fact that the change has been very swift in this country, and I will further explain by mentioning three or four people who were practically related to one another as teacher and disciple. First take Dadabhoy Naoroji. When he entered public life, he used positively to say and preach that British Government was a blessing to India. Then came Ranade, who was practically a disciple of Dadabhoy Naoroji. He did not like to say in a straightforward manner that it was a blessing, but he was a philosopher and used to say that British Government was a divine dispensation for India. "Divine dispensation" has of course more meanings than one. Therefore he just suggested the idea of blessing and kept something in reserve. Then came Mr. Gokhale, who did not like the interpretation of "divine dispensation" as a blessing for India, but he put the cap on the head of India and blamed India itself for keeping such a bad Government. He did not give up the formula of divine dispensation preached by his *Guru*, but everything bad as well as good is ultimately a dispensation of the Divinity. And so Gokhale improved upon Ranade, by saying that British rule certainly was a divine dispensation, no doubt, but it was neither a blessing nor a curse. But he attributed a double meaning to it and as between the Government and the people he said to the people that they deserved this bad Government. He openly called it bad; and then what is more interesting than all this, is that Gandhiji, who calls himself a disciple of Gokhale, openly came out and said that this Government is Satanic and a curse. This is how a change in political feeling and sentiment in India has come about in 75 years from one generation to another, and I have mentioned these four prominent names in the country who were in a way related as disciple and teacher in this political school of thought.

An Honourable Member: What does Kelkar say?

Mr. N. C. Kelkar: Kelkar does not count; he is neither Dadabhoy nor Ranade nor Gokhale.

Here I will read a few lines from the latest utterance of Mahatma Gandhi:

"British contact may be a good thing, may be a God-send, but British rule may be a curse and we may have the one without the other. My description of the rule as a curse would be accurate even though a knowledge of the good influences of British contact might be present with me at the time of giving the description. Personally I dispute much of the glorification whether of the British contact or the British rule. Is the doubtful character of the moral results on the educated few an ample or any compensation for the pauperisation of the millions? Nor do we fully realise the meaning of economic distress. It is below par in the sense that the distress has reduced the man in India below his species. He is an underfed beast of burden in human form and is daily sinking. The money taken from him is never used for his betterment."

These are the words of one of the greatest patriots that India now possesses.

Now, it may be said, and sometimes it is said, on behalf of Government that the British Government have conferred so many benefits upon India that India would be ungrateful if she did not accept British rule in consideration of those benefits. But here I would just like to quote an American author who looks at the connection between the British Government and India from a detached point of view. Let us see what he says about the so-called benefits of British rule:

"In estimating the true character of British policy in India one should seek rather to discover its ultimate object than judge it by casual results. The deep political purpose of an alien Government is not revealed by the material improvements it makes or those that occur under its administration of a country; railways, roads, imposing public buildings, factories and other betterments conduce and in modern times are essential to profitable economic development, as also are peace and public order. Betterments of this character in a country cannot be attributed altogether to a purpose of the Government to improve the condition of all the inhabitants. They occur in all countries and under all forms of government. The guiding motive may be profitable economic exploitation. It is possible for a policy of economic exploitation and a policy of political and intellectual repression to move side by side."

Now, to meet these sentiments and feelings on the part of nationalist India Government often come out on their part with declarations. This habit of coming out with declarations has been with them for about a century or more. Every declaration by this Government, however, has been very vague and unreal. In many cases it is like the acrostic which is called the Devil's or the Witch's Prayer; read from left to right it is a blessing, but read from right to left it is a curse. Take the Act of 1833. There the words are:

"Equality as between Indians and Englishmen."

The views of Munroe on this point are well known. Munroe was the first English statesman to advise this Government to go on with Indianisation, because he used to say that, if the services were not Indianised and if the Indians were not given a real chance and opportunity to learn the administration, then this Government would be working against its own plan and design. But Government have not yet done that completely for the last hundred years and still we are here in this House at present fighting for Indianisation. In some departments it is 50, in some departments it is 60, a promise in some departments of 75, and yet we are told that the progress must take so many years and so on.

Then came the Proclamation of 1858 and what are the words there? "In their contentment lies our happiness". Now the whole world sees

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what contentment there is and what happiness there is in India. If really that phrase were correct, if that sentiment was correct, then we can say of the present Sovereign in relation to India, "Uneasy lies the head that wears a crown". If the happiness of a King lay in contentment, here is Indian discontent incarnate, and therefore the King Emperor must really be unhappy to see India in such a state.

Then comes the declaration of 1917, and in respect of that, as I have already said, it may be turned into the witch's prayer. "Progressive realisation of responsible government"! It may mean anything and everything. Then I can say the same thing about the latest declaration in which reference was made—I do not say who made it—but the latest declaration about the Round Table Conference and the offer about Dominion Status. But all these are superfluous declarations. What Government really feel in their hearts is something quite different and this American author after having had conversations with many prominent officials in this country has laid it down that Government feel a grudge as it were against even America for setting a bad example by giving liberty to the Philippines. He says:

"I found the British in India, both in and out of the government, in a state of subdued rage about what the Americans were doing and proposing to do in the Philippines. I found that they regarded the introduction of American policy into Asia as an unmitigated disaster. They were not shouting this opinion from the housetops (exigencies of imperial politics inhibited), but it was stated plainly in private talk, and imbued the English administrative and social organisms. I found that ideas of an intensive educational uplift of the natives, of conceding their right to administrative autonomy and hastening it, of perhaps quickly giving them national independence, in short, the extension of American political institutions and ideals to the Philippines were regarded as equivalent to throwing a political firebrand into Asia."

At that distance the Americans were doing it, and how do the British officers lose anything? But they feel that they come into automatic comparison with the American Government which is giving the rights of self-government to the Philippines and therefore they resent it. They not only do not give rights of freedom to the Indians but they resent that sort of behaviour from any other Government in any other part of Asia because they consider all Asia as one, as the one sphere, in which the incompetence of Indians has got to be established by common effort.

Then the latest declaration on the part of the Government about the Round Table Conference. I think here a hare has been started, but I am afraid there will be no kill. This Conference cannot be a success so long as the essential conditions of success are wanting. As my Honourable friend, Mr. Jayakar, is fond of saying, there is no atmosphere of reality about this Conference. Now, if there was a sincere belief on the part of those who offered the Round Table Conference that they are giving something real, then of course they would not evade and avoid the pronouncement of the fulfilment of certain conditions which are essential to the success of this Conference. What they offer is a clean slate and whatever you like to put on that clean table, of course you are responsible for it. So far as the Government themselves are concerned, there is absolutely nothing to be placed on their side on that table.

Then there is the minorities problem. They make difficulties about that. But they do not know that the League of Nations, where the conflict of

minorities is as keen as in India, have solved that problem through certain agreements to which all nations could come together and why was it a success there and not a success here? Because there they were moving in an atmosphere of reality and not in an atmosphere of delusion as we do in India. In Canada, the French and the English came to terms and settlement and agreement. They solved their own racial problems. Why did they do that? Because they were face to face with a reality. They were absolutely convinced in their mind that dominion self-government was coming and as soon as they saw it was coming they came to an agreement and solved their own problems. Then more surprising perhaps is the case of South Africa. In Canada there were two races fighting, but in South Africa there were four republics of different races and yet what happened there? In 1900 South Africa was a Crown Colony. In 1905, it obtained representative institutions and in 1909 it got full responsible government and became a Union. How was this done? Because there was the atmosphere of reality. These people were told on the eve of the Convention, "Whatever you do and settle amongst yourselves unanimously, that will be given the shape of a statute by Parliament without the change of a single comma". I do say to the Government that if the British Cabinet does the same thing for us here, all the problems about minorities' conflict and other things will be solved. But here we are not in that atmosphere of reality. There is nothing real before us, no postulates and nothing of that sort, but only a clean slate put before us to write on. What happened in South Africa? Mr. Brand who writes about the Union of South Africa says this. He wonders, he had been all along wondering, how this Union has been accomplished and how the racial difficulties were got over. He says:

"What would President Kruger have said in 1899 if he had been told that in less than seven years after the complete destruction of the Republics and their annexation to the British Empire, a Constitution embodying all that the Uitlanders had struggled for would have been enthusiastically accepted by all parties and races in South Africa? Would he have believed his eyes had he seen appended to that document, side by side, the names of Dr. Jameson, who raided the independent Republic of the Transvaal in order to overthrow its government, and General Botha, who, then a leading citizen of the Republic, is said to have demanded that Dr. Jameson should be shot as a freebooter."

Here we see two unfriendly people sitting side by side, solving their problems and signing a convention and making a union possible. Why did they do it? Because there was an atmosphere of reality before their eyes and the British Cabinet had told them positively and in so many words to produce a unanimous constitution which they would carry out and give it the form of statute without the change of a comma. I can cite authorities for this from speeches of Mr. Churchill himself. So these are the declarations of our Government. These are the policies of Government and these are their offers for the betterment of our condition and offers also for giving us self-government. Now, side by side with that, I can remind this House of the state of things that obtained in Ireland because there also there was a Round Table Conference as between Ireland and England. I will just read a few words as to what happened there in relation to the round table conference between the Irish leaders and British statesmen.

"It was guaranteed beforehand that full Dominion Status would at once be conceded."

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That undertaking was given.

"Neither in the preliminary talks nor at the round table conference did the Irish Delegation consist of the nominees of the British Government. The North was invited at the preliminary talks but not at the conference. When the peace pourparlars started, it is estimated there were several hundred Irishmen in prison for political offences and a few hundreds were "on the run". As soon as the talks commenced, four Irish leaders of the Dail were released from the Mountjoy Prison to take part in them. As soon as the truce was signed, the Dublin Castle released all the imprisoned Dail members and those hitherto "on the run" appeared freely at public meetings without receiving any notice from the police forces. A general amnesty followed as soon as the Treaty was signed."

Now, here I have given this Government the instances of Canada, South Africa and Ireland. In these three cases the problem of reconciliation has been solved satisfactorily as between the rulers and the ruled, but in India that is not being done, and that explains the change in political opinion that has come in India. A few moments ago I cited the example of Dadabhoy Naoroji who said and preached that British Rule was a blessing in India. But in 1906, that old man of 80, who presided over the Calcutta Congress, and who first propounded the doctrine of self-government or Swaraj for India said, "I have been so much disappointed, drven so much to desparation by the British Government that if I were a young man I would rebel against this Government". In that respect I would give one instance more about America. Dadabhoy Naoroji and George Washington I put on the same level. They were such high and illustrious characters, men of such eminence, men of such pure motives, and such great patriots that for a comparison with Dadabhoy Naoroji I could only give the example of George Washington, the President of the American Republic. Now, George Washington himself, like Dadabhoy Naoroji, was an admirer of the British Government. He was a loyalist; he was counted among the loyalists. But even he was driven to despair, and the world knows that ultimately he took the lead of the Army and was the first President of the American Republic. If Dadabhoy Naoroji also had an army, and if there was a chance for him to rebel, as he himself declared that he would rebel, then, I suppose he would have been victorious and would have become the first President of the Indian Republic. Of course that may or may not have been. That is not the point. But the parallel can legitimately be taken for explaining the change of feeling that has come in the people's mind in regard to politics. And now what Dadabhoy Naoroji could not do, the younger generation is doing. Dadabhoy Naoroji said he would rebel, though he did not actively preach rebellion, and yet, just as when there is a water gallery at a higher level, it springs out at the lower level in unexpected directions, so this rebellion is coming, and therefore you cannot hold this younger generation from what they are doing. You have no right to blame the younger generation for carrying out what Dadabhoy Naoroji himself said at the Calcutta Congress. Now, in order to make the parallel complete, I will say only one more thing. If Government betimes reconsider the whole position and offer sincerely, earnestly and speedily, self-government or Dominion Status to India, things may perhaps be quiet, but if that is not done, then we see—Independence has already been proclaimed, and in that respect I can imagine George the Fifth or perhaps his successor, I cannot say who, will have to be in the same position with India as

George the III was in respect of America. I will cite to you rather an interesting passage on this matter. You all know that George Washington fought and won his country's independence, but what were the relations afterwards between England and America?

"While it was not long after the surrender of Yorktown that John Adams recounted, with as much feeling as any Adams could evince, his first audience at St. James's as Envoy of the new country."

When America became free, England accepted and recognised her stable Government and accepted it as a nation of the World, and then naturally it allowed America to send envoys and ambassadors to England. Now the first envoy happened to arrive in the time of George III himself, who resisted independence, and this is what happened. The ambassador met the King. The ambassador of the nation was one who fought against England and the King was the King who resisted independence. When the interview took place, this is what King George III said: "Sir", said the King, "the circumstances of this audience are so extraordinary; the language you have held is so extremely proper, and the feelings you have discovered so justly adapted to the occasion, that I must say that I not only receive with pleasure the assurance of the friendly disposition of the United States, but that I am very glad the choice has fallen upon you to be their Minister" (because he had taken a prominent part in bringing about the independence).

The Honourable Sir George Schuster: Might I tell my Honourable friend that, if he would hold a class for constitutional lectures, I should be very pleased to attend them, but I suggest, Sir, that we might get on with the Budget now.

Mr. N. C. Kelkar: I shall be very glad to have the Finance Member to be in that class, but I am speaking for a definite purpose. As I said at the beginning, I do want to resist this motion and to say that I do not want to vote this Government supplies unless and until this Government give the assurance—though ultimately it may be in the hands of Parliament—but let this Executive Council come forward with a document in which they tell the British Government that responsible government, Dominion Status, should be given to this country. When that is done, I will gladly give this Government supplies, but so long as that is not done, I am not going to give this Government any supplies. So I am not uselessly giving a harangue or a lecture on politics, but I am saying everything that is pertinent to the present occasion.

Mr. President: The discussion might be cut short if the Honourable Member is prepared to give the assurance asked!

Mr. N. C. Kelkar: I will conclude with three more sentences now. This is what the King said to the ambassador:

"I wish you, Sir, to believe and that it may be understood in America, that I have done nothing in the late contest but what I thought myself indispensably bound to do by the duty which I owed my people. I will be very free with you."

King George says to this ambassador: "I will be free with you. I was the last to consent to the separation; but the separation having been made, and having become inevitable, I have always said, as I say now, that I would be the first to meet the friendship of the United States as an independent Power".

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Therefore, I say, if the British Government grant Dominion Status, we are prepared to take it; if they fail to grant it, I have cited their own history, which will give them an idea of what may happen—and the future Sovereign of England will receive the ambassador from India and say to him, "I will be very free with you; I accept you as my ally".

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): Sir, it is somewhat awkward for me to stand here to oppose this Bill just after my Honourable friend Mr. Kelkar has spoken. He opposed the Bill on constitutional grounds. That is ground enough in itself on which all supplies should be refused. But, Sir, as the Bill relates to the entire Indian finances, and the financial policy of Government, I feel I should oppose this Bill as far as possible on financial grounds too. I shall first begin with the aspect of financial policy. In this Bill my Honourable friend the Finance Member adopts what he calls radical measures. It appears he is always living in a glass house, through which he sees the Indian Empire, and whatever radical measures he might introduce, they will have nothing to do with the real conditions prevailing in the country. The consumer and the taxpayer are the people by whom we, as their representatives, as well as the Members opposite as Members of the Government, have got duties to discharge, and I may say briefly that it is not by imposing duties in season and out of season that we discharge those duties. If we want to realise our duties by them, we must be acquainted with their real condition. Certain theories have cropped up during the course of ages, especially in a country like England, a country which has got to live by selling its manufactured goods, and our Government as well as many of us, on account of a tradition set up in this country, are fighting, on the strength of those much-made-of theories, for the development of our resources in a country which is agricultural and whose people to that extent have practically nothing in common with the people of England. There are also certain sentences in the Finance Member's budget speech which I may call budget baits. Some political advantages which may accrue from our agreeing to certain mischievous measures have also been pictured to us. His main burden of speech again seems to me to be that, like a very good housewife, he is after reserves. Last year he created what I may call a military reserve. It practically continues; and even when it began, the remark was made that these reserves are not only unnecessary considering the conditions prevailing among the taxpayers in India but they speak of a very bad future. There is also the ever-open sore called the Railway Reserve, on which any further discussion here would simply be toutology. Now, there are being created other reserves such as the debt redemption reserve and some other reserves, which I have forgotten, and they will be set apart, like untouchable individuals, in the dark corners of our public treasury. I do not know for what purpose they will be applied or invested in the meantime so long as they are not actually required for purposes for which they are reserved. It is, so to say, a kind of temporary embezzlement so far as the taxpayers' interests are concerned. Reserves may be *primâ facie* very good things, but we must understand the real nature of the difficulties among the masses when we are going to impose fresh taxation to the extent of about 6 crores, and when, in the same breath, the Finance Member has himself said that the purchasing power of the poor peasant and the taxpayer in this country has gone down to a very

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large extent, and it is a fact. At such a time to fall upon reserves like these is not only unnecessary and bad, but it is criminal, to say the least.

Then I come to what the Finance Member calls economy. The first item of economy that I wish to touch upon is the curtailment of expenditure in railway capital investment. Apparently it is a very good thing, but I may observe that, in effect, it will go to kill many of our new enterprising industries in this country. Last year this subject was discussed in connection with the stores purchase policy. After the war times were over, the manufacturers of railway materials in England wanted support, and ready purchasers to sell their articles at very high prices. For this purpose the then Member in charge of Commerce wanted to create a separate railway fund, and committed this Government, as well as this House, to an expenditure of 30 crores new investment each year for five years in the name of development of the country. This fund yearly set apart was so enormous that, in spite of inefficiency and lavish expenditure and mismanagement, the entire money could not be spent. What was at the bottom of all this? I deliberately say it was not for the development of India. It was to help the British manufacturer. In the Imperial Economic Conference in which Sir Charles Innes, the predecessor of the Member for Commerce represented India, he said so in so many words. Those words have often been repeated in this House and they will bear eternal repetition, as public memory is short. He said:

"Large sums have been set aside for the rehabilitation of her (India's) railways and I hope that we may be able to embark on some new construction. On railway material alone we spent last year, almost entirely in this country, more than 8½ millions sterlings. Other development schemes are in contemplation, and in one way or another the Government estimate that something like 70 millions sterling will be spent on imported stores during the next five years for the railways and other development schemes. As in the past, so in the future, I have no doubt that the skill and enterprise of the British manufacturers will see to it that the vast bulk of their moneys will be spent in this country."

Again he says:

"The Government of India were required by rule to buy their imported stores through their Stores Department in London, which was under the control of the High Commissioner for India. The High Commissioner had to accept the lowest satisfactory tender; not necessarily the cheapest, for he has been given a wide latitude for selection."

Again:

"The practical result has been that between 90 and 95 per cent. of the value of the purchases made through the High Commissioner during the past year had been expended in England on articles produced by British manufacturers."

That is the result and it speaks for itself, I do not know whether there is, on the non-official side, as much anxiety to see to the promotion of the iron industry as there is for the cotton textile and other industries which are very well represented in this House. It was quite impossible even to divert at least 5 or 10 per cent of this money to the Indian market. If they had done so, many young industries would have come into being here, and if they went on progressing, perhaps this Government, led by the nose by a band of people six thousand miles away, would have come with a begging bowl in one hand and a pistol in the other for a preference, or even bounty to the British manufacturer for our railway purchases, with a view to kill our industry and re-establish the market which their forefathers had prepared for them in this land.

I put a pertinent question to my friend Mr. Parsons last year. I asked him, in course of the Railway Budget debates, whether it was not a fact

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that some of these firms (Indian manufacturing firms) were encouraged in this business (of making railway materials), and they are now no more, because they were starved out for want of orders. His clear answer was, "At any rate that is the position". What was wanted to be done in the interests of the British manufacturer was being achieved in this way.

I had the honour of being a member of the Railway Finance Committee last year. I went into this question very searchingly. I spent the entire year practically on this iron industry and the purchase of railway materials. I have tried my best constitutionally to impress my view on the Railway Board. But we have no power in that Committee. It is not a statutory committee and we can only recommend, and we do not know what becomes of our recommendations. I persistently pointed out the state of the iron industry in this country, and I wanted the Chairman of the Committee to divert the purchases to the Indian manufactured articles. Not only that. I wanted him to devise means so that railway materials that are not now manufactured in this country might be manufactured here in future. We are spending about 30 to 35 crores every year, both in open line and new construction, and if this money be properly diverted to the Indian markets, with the collaboration of the Members in charge of Industries and Labour, both here as well as in the Provinces, if need be, and if this money could also be utilised for the development of the iron industry in this country, it would not take ten years to stop purchasing in the British market each and every article that we purchase for our railways and even for Military and other purposes.

Mr. President: Was not the Honourable Member in the House when the Railway Budget was under discussion?

Pandit Nilakantha Das: Unfortunately I was not a Member of this House then. This Finance Bill is claimed to be for the development of the country, but I am shortly going to show that it is not for the development of our industries but for killing them, that these economies are going to be made. They are not real economies.

An Honourable Member: Convince the House.

Pandit Nilakantha Das: I shall convince the House, but unfortunately conviction carries no vote in this House.

I said just now that it would not take more than 10 years, and in order to bring matters home in this connection you will permit me, Sir, to enter, as briefly as possible, into the history of the iron industry in this country. Practically, it is the Tata Iron Works of Jamshedpur alone which provide raw materials to other iron industries, and that is the only Indian concern. I have used the word "Indian" deliberately, as there are other firms like the Bengal Iron firms, etc., which I call non-Indian. Of course, I am not now dealing with the textile industry, to which I shall come on some other occasion if you will permit me to do so. I am dealing with iron industry for the present. I made my headquarters at Jamshedpur in order to study this problem thoroughly from the point of view of labour, management of the industry, Government encouragement, and from every possible aspect I tried to study the question, though I was not in the beginning of my life an economist. What did I find there?

Today we see that people are coming for the protection of their industry at home, and, at the same time, instructions are being issued that India should participate in a Round Table Conference for self-government if, at

the expense of Indian development, England could be supported. Three years ago, in the case of the steel industry, the same plea was advanced. Now Imperial Preference is in its naked form, but then, as my Honourable friend Mr. Jinnah told me, it was not Imperial Preference as such. Be that as it may, we were asked to give the British manufacturer a chance. But what about the development of our own industry? We were asked to try to protect our own industries side by side with those of England and the taxpayer spent his money like water in order to do so. But what did I find after all this? After my searching inquiry and investigation, I came to know that no protection was necessary at all in India. It is simply a *camouflage* and a subterfuge to protect the manufacturers at home. Any protection that is given to our iron industry in the name of development of India is simply misdirected, manipulated and what I may call criminally abused. In this connection you will permit me, Sir, to read out to the House a Resolution which some Members have tabled to be moved in this Assembly. It runs thus:

"This Assembly recommends to the Governor General in Council that he may be pleased to appoint a Committee of officials and non-officials to enquire into and report and recommend remedial measures on the working of the Tata Iron and Steel Works of Jamshedpur with special reference to the following points:

(*a*) Whether and to what extent the protection granted to save the Company is justified.

(*b*) Whether and how far the Directorate and the Managing Agents, ultimately responsible for the control of the entire business, are in Indian hands as originally contemplated.

(*c*) Whether and how far the present controlling agency is actually working for the Indianisation of the Industry with a view to promoting Indian economic and industrial interests.

(*d*) Whether and to what extent the manufacture of Steel policy involved in the sale of products and scraps and the purchase of materials and machineries as well as the loan policy of the concern are justifiable.

(*e*) Whether the State is doing whatever it can in its purchases and otherwise to encourage this basic Industry.

(*f*) Whether and how far, if any, the management and the controlling agency are responsible for the danger of labour troubles kept up under manipulations of people interested in matters other than labour."

There is also a confidential memorandum which I hold in my hand. It shows that not only are the members of Government dictated to from Whitehall, but there are agencies throughout this country, even today, to strangle our industry or to use them for their home purposes.

In the course of my speech, I shall be compelled to use the word "Englishman" in a rather undignified manner, but I know there are exceptions and that all Englishmen are not alike. They are not all interested in killing other nations and filling their own pockets. Therefore, whenever I will use the word "Englishman", I will use it with this reservation.

This Tata Iron Industry is known to be an Indian industry, and its scope for development is enormous. I told you in the beginning, Sir, that, if properly nursed and looked after, in 10 years' time our industrial development would have killed the Indian market for all other nations outside India. Let me illustrate this with a reference to the Tata Works.

Who made this huge industry at Jamshedpur? Now, if you go inside the Tata Iron Works, you will find that almost every important branch of it, from top to bottom, is practically in the hands of or are controlled by Englishmen. (*Mr. B. Das*: "Americans.") I know they are not Americans, except the General Manager, Mr. Kinnen. Is Sawday American, is Peterson

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American? The business is practically now in English hands, and these English hands and English brains are responsible for and clandestinely and surreptitiously manufacturing and selling articles and managing the entire concern for the benefit of the people of the British Islands and the interests of the Imperial British race.

All honour to the name of Jamshedji N. Tata. He was a great patriot—a great man with great conceptions. His idea evidently was to build an Indian industry ultimately to be run by Indian hands for the benefit of India. So with that view perhaps it was well begun, as I shall presently show. During the last world war, it also did yeoman service to the Empire, and that at an enormous sacrifice—a sacrifice of several crores of rupees, which the concern could have made for itself if it so desired. But what came in return for all this? Now the plan is to let it pass into English hands anyhow by manipulation. Or if it is to remain Indian in name, it must be allowed to remain in a moribund state, burdened with heavy interest bearing English debentures, to supply raw materials to English concerns in peace time, and to be kept in readiness and reserve for war purposes, if ever any war threatens England so as to make that country depend on India for war materials. This is the clear position. It must be allowed to live, but it must never be allowed to contribute in any way to the development of Indian industry and Indian resources, which evidently was the object of the great mission of Jamshedji N. Tata.

Now what was primarily responsible for the original success of the Mission when Sir Dorab Tata started the concern in 1907?

Sir Purshotamdas Thakurdas: Mr. Jamsetji Tata was the first to conceive the idea!

Pandit Nilakantha Das: No, it was Sir Dorab Tata. Jamshedji Tata had been dead by that time. In 1907 shares were issued by Sir Dorab Tata and Mr. Padshah. The money market was then very tight in England. It is unfortunate that we have come to such a perverse state of culture that we have no strength to depend upon ourselves for anything. We turn our eyes to England. That is the subjugation of the culture or cultural subjugation, as I have often said on the floor of this House and elsewhere. So naturally, Sir, Sir Dorab Tata and his friends turned their eyes to England for money to establish an industry in India. Where can the money come from? It cannot come from India, you must go to England. The English money market was then tight. If only an Englishman had entered into that project, things would have been different. So the project was going to be abandoned. Mr. Lovat Fraser, in his book on Iron and Steel in India—a Chapter from the Life of Jamshedji N. Tata,—says:

"The Swadeshi movement which on its more praiseworthy side meant the cultivation of the doctrine that the resources and industries of India ought to be developed by the Indians themselves, had reached its height. All India was talking 'Swadeshi' and was eager to invest in 'Swadeshi' enterprises. Sir Dorab and Mr. Padshah, who had spent weary months in the City of London without avail, after their return, conceived, in conjunction with Mr. Bilimoria, the bold idea of appealing to the people of India for the capital needed. The decision was a risky one, and many predicted failure, but it was amply justified by the result. They issued a circular which was practically an appeal to Indians. It was followed by the publication of a prospectus, which bears the date August, 27th, 1907. Mr. Axel Sahlin, in a lecture delivered to the Staffordshire Iron and Steel Institute in 1912 has described the instant response. He says; 'From early morning till late at night, the Tata offices in Bombay were besieged by an eager crowd of native investors'."

In fact all the money was subscribed by seven to eight thousand Indian shareholders in three weeks. I need not tire the House by reading further quotations. This was how the company was financially begun, and then for the working capital the Maharaja of Indore purchased all the debenture shares. This is the whole fact about the huge financial starting of this concern. Money for enterprise is not wanting in this land. But the spirit is wanting—nay, it is being killed every day. The Honourable the Finance Member looked perhaps for money in England in vain the other day. The London money market is tight. Will he care to tap the "Swadeshi" spirit in India? Will he nurse it? Will he depend on it? No, he knows only to put his mailed hand into the almost empty pockets of the helpless and unwary taxpayer.

Then, let us see, who made it possible for the Tatas to fix the place of that industry in Jamshedpur. The American, the English and all other experts in geology and industrial mining and technics were requisitioned into service by Mr. Tata, and they had been looking into all the survey maps and geological atlases available, and moving in several places for years and years. After several years of weary labour, they could come to no conclusion, when at last an Indian, a Bengali, by name Mr. P. N. Bose, then in the geological research service of Mayurbhanj State of Orissa, boldly gave the uncalled for information that there were hills and fields of good iron ore in Gorumahisani in Mayurbhanj within better reach of the Jharia fields of cokable coal. As the results of the investigation on this information, the concern was finally established at Sakchi, now re-named Jamshedpur. The same author, Mr. Lovat Fraser, in the same book gives his appreciation of the practical character of Indian genius in these terms:

"In the story of the industrial development of India, Mr. Bose is assured a permanent mention. His enquiries were the prelude to the discoveries of Mr. Weld in the Durg area, and he now pointed the way to still more promising results. His work is one more refutation of the current criticism of Bengalis (and Indians, for that matter, I may say,) on the supposed ground that they are not practical men."

We are often told that we are not practical men, that we are not businessmen. So, the other day when I was discussing, in the Railway Finance Committee, the appointing of Trade Commissioners for the development of the Indian market elsewhere, I asked whether these Trade Commissioners—and my Honourable friend Mr. Fazal Ibrahim Rahimtulla was one with me in this—would be Indians. It was with much difficulty that we could make our friend the Chairman of the Railway Finance Committee, appear to agree for the time being to the reasonableness of the argument for appointing Indians for those posts abroad. But he said, that could only be achieved in course of time, for the one post under discussion had already been fixed for an Englishman. Now, I understand that six or eight Trade Commissioners will be spread all over the world with fat salaries, and I am sure, there will be no Indians amongst them, for Indians are not businessmen. These Trade Commissioners are all to be from the Indian Civil Service. Here are the Members of the "steel frame" who are *subjanta*, capable of looking after and managing all the affairs in the world, political, administrative, civil, military, educational, social, economic, commercial, industrial and what not. Apart from other considerations of manipulation, etc., I ask, what will other nations think of us and think of our "Dominion status in action", when not we, but

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foreigners, especially Englishmen in our pay will sit as our Trade Commissioners in their lands? The Indians, after being under the tutelage, as they would like to call it, of Britain for over 150 years, have not been fit enough to be appointed their own Trade Commissioners in foreign countries. For this idea of our own unfitness has been sedulously and perpetually instilled into our minds so that we have come to the habit of believing ourselves that we are unfit. So I say, if the policy changes today, if the Government come into national hands, if a bold policy of development of industries and resources is undertaken in the proper way, then in 10 years' time, the entire phase of the country and the standard of life of the people, or whatever you call it, would change completely. India is not potentially a poor country. Year after year the Finance Member comes into this House and tells us that India is a poor country. We agree, for we have no other way but to agree under the present conditions and circumstances, as the development of the country is not in our hands.

I must now turn to the development of this iron industry and the question of how it is manipulated. I may be allowed, in this connection, to read this confidential document which I have in my hand, and in the course of reading, I will explain the points for the benefit of my Honourable friends. This document says:

"The firm is in name Indian, but both general management and sales are perfectly and in detail controlled by Englishmen, some of whom were Members of the Indian Civil service."

Here again the Members of the steel frame come in, because they know everything. The document continues:

"The directors seem to be practically powerless,"

and of course my Honourable friend Sir Purshotamdas Thakurdas will excuse me for pointing this out. The proprietors of the company, I am afraid, do not take note of that. The document continues:

"The company is burdened with a heavy debenture raised in London. The outstanding debenture appears to be more than the share capital."

This is all after the war.

"The rates of interest are 7 to 8 per cent., and this interest is responsible for the fact that the shareholders get no dividends for a number of years. For these debentures the assets of the concern are liable."

And my Honourable friends in this House may well realise how it can be manipulated very easily, if, as the phrase is often put, we do not put our house in order, so that the entire concern will pass into English hands on account of these debentures, if for nothing else.

Mr. B. Das: What is that confidential document? Who is the author of that document?

Pandit Nilakantha Das: What is there in a name? Suppose it is yourself who is the author of the document. What is in a name? You may see it. Then it goes on:

"A Labour Federation has sprung up, with Mr. Homi as President, and this Mr. Homi is well known to the members of the Assembly. His activities have not benefited the concern while the labour troubles originating in his activities may lead to non-payment of the debenture, the result of which is likely to be disastrous and may cause the concern to pass to English hands."

Time and again this question has been raised on the floor of this House that even English officials are siding with him in creating troubles over put up grievances. For, as a matter of fact, the grievances for which all this trouble arises are practically non-existent today in Tata's. I must be excused by my Honourable friend, Mr. Chaman Lall, when I say this. There is of course plenty of room to improve, but I must say, in fairness to the heirs of that great man, Jamshedji Tata, that comparatively with other labour centres, here the labour is well cared for and well housed. When I come to labour, I shall compare them with the coolies in English firms. The name cooly is significant. It is humiliating and insulting to the Indian to hear that name applied to human beings. In Tata's they are not called coolies but they are called by other better names. Now coming to Mr. Homi, these English officials and even Englishmen at the helm of affairs in the management and in the other affairs of the Company are also secretly siding with him. This has often been said on the floor of this House, and I was myself responsible for publishing a document in the *Capital* of Calcutta in which there was a challenge. The whole publication of mine and the editorial comments of the *Capital* and other papers that followed in publishing the same was based on a letter from Mr. Homi to some Bombay share speculators, whereby his entire interest, as exposed in that letter, was to speculate in shares for which he used this labour trouble as a handle.

Sir Hugh Cocke (Bombay: European): Sir, on a point of order, may I ask whether there is any limit to the range of this discussion and whether the affairs of a public company can be discussed on the Finance Bill?

Pandit Nilakantha Das: Is it very trivial?

Mr. President: Perhaps the Honourable Member would like to take a few minutes more?

Pandit Nilakantha Das: Not a few minutes only. I shall have to finish this document. I had no other occasion to speak and I must finish the entire national and industrial development scheme, and show how it could be developed and how it is being developed. All this is relevant to the Finance Bill.

The Assembly then adjourned for Lunch till Five Minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Five Minutes to Three of the Clock, Mr. President in the Chair.

Pandit Nilakantha Das: I was speaking about the chief iron industry of Tatas and how it is being manipulated by Englishmen and officials for Home purposes, and in this connection I have stated how the labour problems are affected by this manipulation through a gentleman named Mr. Homi. Now, I shall analyse it. In the manufacture and management, sale, public tender, contract and buildings and all these departments the same manipulation is going on, which if not prevented, however much we

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may impose duties on our poor consumers, we cannot relieve the industry of the present situation, nor will there be any development of the industry in this country. This is a principle which requires no argument to be accepted.

Now, Sir, the inner working and management are carried on in such a way as to prevent the concern from using its own pig-iron for manufacture of steel articles, and it becomes a source of supply of raw material to foreign countries. This pig-iron is a technical name, and I may be excused if I attempt at a little explanation of what pig-iron is. Pig-iron is a basic material for steel industry. It is a first product from the iron ore. Then in course of progress it comes to a stage where it is called billets. Out of these billets the steel articles are made. These are the three stages with which I shall deal. To have some idea of the management of business, the following points may be noted. The pig iron, which is the basic material for all steel industry, is produced very cheaply by the Tata Iron and Steel Company. Perhaps it is the cheapest pig iron produced in the whole world. It is sold in foreign countries in enormous quantities at a very low rate, at half the price at which it is sold in India to the home consumers. It may be attributing motives, but I am not going to do it all at once. There are two practical effects of this. Now they do not make steel, and their only object is to prepare that raw material, the pig-iron and to export it to foreign countries as raw material. The second effect is that other small iron industries, including the village artisan, are starved.

Now there is a combine of three firms, including the Tatas, for selling pig iron to the Indian consumer at an abnormally high fixed price. Tatas have no option to take a reasonable price, even if they desired. I do not know why the Tatas went to enter into this combine. Combine is a commercial term. It is something like an arrangement among the members of the combine themselves that they will sell pig iron at a certain rate to the Indian consumer. The Tatas, who sell very little of their pig iron in this country, have come to join this combine with the Bengal Iron Company and the Indian Iron and Steel Company Limited. These two latter make pig iron and their interest lies in the combine. These two are practically English concerns, English managed. One has sterling capital and the other rupee capital. I do not attach much importance to the difference between rupee and sterling capital. External capital is external capital all the same, and this theory was exposed in its naked reality when we were discussing the tin-plate labour strike in this House at Simla last. Therefore the only interest of these two *de facto* English firms is to make profits out of the pig iron, to manufacture castings out of pig iron, if need be, at a good margin of profit, to oust all Indian competition, and to keep the English manufacturer untouched. The Tata Iron and Steel Company joins this combine, nobody knows why. It is stated that its profit out of the arrangement is insignificant. It sells very little of its pig iron in this country, as I have stated. This subject was discussed last year during the discussion on the Railway Budget, and this way of crippling the home manufacturer and depriving our village artisans of the cheap raw material and supply of raw material to the manufacturer abroad was sufficiently criticised and condemned.

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Then there are the steel billets. After selling out all this pig iron, what is the next stage? Steel billets. Steel billets are purchased by the Tatas from Europe at a cost of Rs. 95 per ton, whereas they sell pig iron at Rs. 36 to 40 per ton in foreign countries. This is a curious industrial phenomenon. They have got an arrangement with the Tin-plate company for steel sheets and bars and these tin sheets and bars are prepared out of these billets purchased at Rs. 95 per ton, but the tin sheets and bars are sold at Rs. 84 per ton. The State has got an arrangement for purchase of rails and probably steel sleepers at Rs. 110 per ton. An English Company pays Rs. 84 per ton whereas we, taxpayers pay Rs. 110 per ton as price for the finished products of the Tatas. Steel joists and other finished products are sold to the Indian consumer at the rate of Rs. 130 per ton. It seems wonderful. I do not like to say now with what object the Company is running.

The Honourable Sir George Schuster: On a point of order. Is this at all relevant to the Finance Bill? Could the Honourable Member explain how it is relevant to the Finance Bill?

Pandit Nilakantha Das: I am just giving an idea to the Honourable Member how he could enter into all these things and how he could help to develop the iron industry. (Hear, hear.) This kind of superfluous measures of imposing duties and so on and sitting in glass houses will not do. I am explaining how things are working so far as the Tata Company is concerned, and I hope, instead of getting tired, my Honourable friend will bear with me. It is with a view to keep up a show of justifying protection that a figure of Rs. 130 per ton is perhaps maintained, but this has been instrumental in giving a sound and substantial market to English steel manufactures in India. The English steel industry cannot reasonably compete otherwise.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): On a point of order, Sir. Can the Honourable the Commerce Member go out of the House when an Honourable Member is speaking about his Department?

Pandit Nilakantha Das: Without this manipulation, the English manufacturer can never compete with the steel manufactures of the world, much less with those of India. No protection was necessary. I do not know about the textile industry. I have not studied it. It may be the same. There is definite information in this confidential document to the effect that, even today, the Tatas are negotiating with an iron firm in England for sale of enormous quantities of pig iron on a contract extending over a good number of years. In this case the price will be even lower, say, about Rs. 30 per ton. It is, however, not known yet if any contract is contemplated with the same firm for the purchase of billets at more than Rs. 95 per ton.

Then comes the sales department, which is under an I. C. S. Englishman. The whole management is under this I. C. S. Englishman. This is how things are going on there. This department sells all scrap, that is second class products, to a private firm, not by public auction or by public tender, but by private arrangements. A very interesting thing I shall divulge in this connection. This firm has got among its staff some who had been officers in the Tata sales department itself. It is a big firm. Some of the Tata Company's officers have left their jobs in the sales department

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and have come to this firm as members or shareholders. Many of the articles sold as scrap are again not scrap, but finished products passed as scrap. All these articles are sold away every year, for about 20 lakhs of rupees, whereas the same articles are calculated to bring yearly double the money in the ordinary Indian market. The detailed working of this department is mysterious, as may be suggested from the single fact that the officers (Englishmen) in charge of the department found it more profitable to give up their lucrative jobs in the department to become members of the purchasing firm.

Then comes another department managed by one Englishman, the town administration department, which has to do with contracts for buildings and other engineering works. Here I may refer to the fact that purchase of plant and machinery is also made not by tender but by private arrangement. The town administration is, as I have said, in charge of an Englishman. I shall inform Members here that the town was planned by an Indian engineer of the Bombay Public Works Department, Mr. Godbole, but afterwards it has come into the hands of an Englishman, who knows nothing of engineering or planning. It is said that contracts by the town administration department are given privately to a selected few, whereas, if tenders had been invited, the cost would have been much less. Here I would cite an interesting example. There was a building belonging to an Indian club; the town administrator wanted to acquire it very urgently for the works of the Steel Company; it was purchased for Rs. 7,000, but soon after it was sold for Rs. 4,000 to one of the subordinate officers of the town administration department.

Then I come to the fourth point with which I shall finish this subject. Coal which is one of the biggest items of purchase is also, in several places, in the hands of Englishmen. The Tatas are being sued by various English coal concerns for specific performance of contracts, damages and on various other items for which the Company is being made legally liable for huge sums of money. All this has been the subject of Press criticism, and it is expected the whole thing will be laid bare in its savage reality and nakedness if an impartial inquiry is undertaken.

The authorities of the Company always say that there is profit in every sale they make. They make a profit in the export of pig iron and the sale of steel products. Even according to their own statement, there is a clear margin of profit in the sale of sheeting and bars for the Tin-plate Company, which are sold at Rs. 84 per ton, not to speak of rails which are sold to the taxpayer at Rs. 110 per ton, and joists tees and angles and other sections of bars and rounds, which are sold in huge quantities to the ordinary consumer at not less than Rs. 130 per ton. They also make large savings in freight at the expense of the taxpayer. With all this, the concern is so conducted as to be perpetually in heavy debts without paying any dividend to the shareholders. As a result, the growth of steel industry in this country, is not only discouraged in this country, but many living industries as well as the village artisans are being prevented from getting any advantage out of our primary steel concern. Thus the country is in danger of running into a great economic disaster, coupled with discredit to the Indian hand and the Indian genius, which were responsible for the very finest steel in the very dawn of civilisation.

These are a few suggestive hints given in this memorandum, and if an inquiry is undertaken everything will be laid open, more astounding facts in the detailed working will come to light exposing more vividly how some Englishmen in the concern are primarily responsible for this state of things for purposes which have nothing to do with the interests of Indian industry.

It may be said however that the directors, who are the *de jure* controlling authorities may intervene to set matters right. But unfortunately for the Indian taxpayer and the Indian Nation the directors, as I have said, are either powerless, or are indifferent in the matter. The Managing Agents have delegated all their powers to Mr. J. C. K. Peterson, an I. C. S. Englishman and the entire affairs of the concern are in his hands. An Englishman cannot ordinarily be trusted in the business of our industrial economy or development, particularly in a concern like the Tata Works, which, sincerely managed and developed, is well calculated to ruin the British steel market in India. Oftener than not, his sole and primary concern is to guard the interests of his Home manufacturer. Mr. Peterson is moreover a member of the "steel frame" of the Empire to boot. This simple truth the directors of the Tata Company may well be expected to realise. But they don't. The result is the ultimate ruin of our industrial prospects. Crores are being demanded today in this Bill to protect and develop so many of our industries. So they were often demanded and voted for to protect the Tata concern. But a thorough investigation, I am sure, will prove it beyond doubt that our ruling masters for their own purposes dupe the taxpayer into protections of this kind. The Tata Industry, for instance, never was really in need of protection, nor is it in need of protection even today. Even in spite of our giving unintelligent protection to the industry, it is today suffering from dangerous manipulation portending ultimate ruin to all our industrial and economic future. For as a clear indication of the effect, Indian money and enterprise has already grown suspicious The Indian is daily losing his sense of self-reliance in business. It is high time for the Members of the Assembly to take the matter seriously, and demand an inquiry into the whole situation, which has been long overdue, and solve the problem once for all as to how we can develop our industry and resources to our own national ends.

We have complained all these years that the State has not really helped any industry. With all their apparent solicitude for putting a protective tariff on steel, practically no development has taken place. Here I may refer to the State purchases, by which a huge market could be provided for Indian industries very easily, and at the very door of the industry. Has the Finance Member thought of it? No purchase has ever been scientifically directed to this end. Still, in spite of the Government, some purchases could not but be made in India, and consequently some firms raise their head. They are to be killed by sharply cutting down and raising and then cutting down Railway capital expenditure. That expenditure is raised in the name of development of the country, and cut down in the name of economy to dupe this House.

One of the best recommendations of the Industrial Commission was the creation of the Indian Stores Department, which was established to give a perpetual stimulus and encouragement to Indian industries which would thereby be developed by regulating purchases and diverting them

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to the Indian market. The object of the Indian Stores Department was that all our main purchases should be made through this Department, so that this Department would be directly and indirectly responsible for the development of Indian industries. But let us see what has happened on account of the purchase policy of the State, before Government imposes heavy duties. My friend the Finance Member calls the imposition of this duty a radical measure, but before imposing this duty, I should like to ask him to take some radical measures to direct these purchases in a manner which would help the development of Indian industries. That is our first duty. But what has happened? Last year I was mistaken, because the figures that were given were misleading. I was given a Report for 1927-28, where I found that the loss to the Indian Stores Department was only Rs. 53,000. But now I find it is four or five times that for the self same year. I am coming to that. The Department was started in 1922. All these years it has been working at an enormous loss to the taxpayer, for little Government purchase is made through the Department. There are favourite manipulators among the officers everywhere to make purchases for the Government Departments and even Railways. Who cares for the helpless Stores Department? This Stores Department is not only not paying its way, but has all along been a heavy burden on the taxpayer, though it always gets some percentage for inspection and some commission on our purchases and sales, and though our entire State purchase for the Army, the Railways and for various other Departments are articles worth hundreds of crores of rupees. This is how the Indian Stores Department serves its end. Last year I was rather gratified to find that the loss was much less. In the Report for 1927-28, I found it was something like Rs. 53,594, whereas in two previous years it was over two and four lakhs of rupees respectively; and in the new Report I was expecting it to be still less for this year. Instead of that, I find there is a small note to the effect that the accounts were not complete last year, and the figures were wrong, and instead of Rs. 53,000 and odd loss, the nett deficit in 1927-28 comes to Rs. 2,39,699, or rather in round figures it is about 2½ lakhs. In the previous year the deficit was given as something like 2 lakhs and 18 thousand, and in the year under review, *i.e.*, 1928-29, I find the figure given for the deficit is Rs. 4,96,733, that is practically 5 lakhs, and this is the charge on the pockets of our taxpayer for developing our industries. After this charge, we are again putting our hands into his pockets by imposing new duties. How can we bear it, being the representatives of those people whose purchasing power has diminished and is diminishing very considerably day by day? Sir, we have been made a poor people, and it is now the duty of the Government to see that we are first made rich so that we might be able to pay those duties which Government demand. Where there is a Government there is taxation, I quite admit, but such actions as the present which the Government are taking in this matter can be expected from no reasonable Government of modern times.

Before finishing this subject, Sir, I should like to bring to the notice of the Honourable Members a particular instance to illustrate how our investments and purchases are not only being manipulated for British purposes but mismanaged and passed over and even probably countenanced wherever there are English officers in the service of this Government . . .

Mr. President: Is the Honourable Member not going to deal with the ratio?

Pandit Nilakantha Das: I will come to it presently, Sir, (Laughter.) if I may not have been already too long. I am in a very awkward position. I hope my friends will bear with me for a few minutes. (*Some Honourable Members*: "Certainly, go on, go on.") I will try to be brief.

In the last Simla Session, Sir, I put some questions relating to the purchases of the Bengal Nagpur Railway. I need not read those questions and weary the House, because it will take a long time. My Honourable friend knows it over there. They will be found at page 573 of the Simla debates . . . .

Mr. B. Das (Orissa Division: Non-Muhammadan): But the Honourable the Railway Member is not present in the House.

Pandit Nilakantha Das: I am sorry all our suggestions and all our criticisms are treated in this fashion, but we have got to make them, but whether our suggestions are considered by those in authority or they are thrown into the waste paper basket, I do not know. (*An Honourable Member*: "Most likely.") If it is likely, that is why we come to bid good bye, and we do not want to give them supplies, because they are not responsible. These are not small matters relating to the Bengal Nagpur Railway; they are sufficiently serious to merit the anxious consideration of the House as a whole. Let me tell the story briefly. The Agent, now retired, with three Chief Engineers of the Railway and some members of their family and one Member's wife, came together and formed a company called Henry Williams (India) Limited. I have got records to prove that the company is registered in their name with a very small capital, and it was said,—I do not understand what exactly it means. —that the paid-up capital was about 3 lakhs and Rs. 6 lakhs was to be considered paid-up for considerations other than actual payment or something like that. Anyhow, these people formed themselves into a registered company, and on a piece of land which belonged to the Bengal Nagpur Railway, at the cost of the same Railway, they got a wall and a siding line put up. After doing all this, the said company came into existence as a private company. Some of the members of this firm are still working as Chief Engineers in the Bengal Nagpur Railway. They somehow managed to get some patents, and under those patents they want to supply iron and steel sleepers, styling them as "Universal" sleepers. And what are these sleepers? How are they made? I found in course of my inquiry that the old steel sleepers were condemned as unfit by the Chief Engineers, who are members of this firm. They were purchased as scrap iron by the firm of Henry Williams Limited. They made slight cuts at the end and other alterations in these sleepers and passed them on as patented new sleepers at a huge profit. I am told the profit per sleeper is about Rs. 5. This thing has been going on for the last four or five years. (*Some Honourable Members*: "Shame".)

The other patent is for cast iron sleepers, for which the Bengal Iron Company got a monopoly by private arrangement perhaps of profit sharing. These cast iron sleepers were being purchased for the Bengal Nagpur Railway at a monopoly price which is decidedly much higher than the normal market rate.

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In the last year's Report on the Appropriation Account for Railways it was found out that the whole plot of land which is now possessed by Henry Williams has been rented at a very low rate, and it is calculated there that there is a loss of Rs 52,000 in rent alone for the land in a year. When I saw this in the Report, I myself investigated into the matter, and I gave the whole thing in the questions. In reply I was promised by the Honourable Sir George Rainy a statement at Simla. I was not a Member of the House for so long here, and the statement that was promised has not been laid on the table. I have put a question on that, and I expect to get a statement. As my Honourable friend Sir Purshotamdas Thakurdas and other friends on the Railway Advisory Committee know, I gave a complete memorandum on the subject in that Advisory Committee. The Honourable Sir George Rainy said that it was a matter of detail and not of policy. But I must express my sincere thanks to my Honourable friend Sir Purshotamdas that on that contention he readily stood out to support me, and ultimately a departmental enquiry and a statement to be followed by an enquiry committee, if necessary, was promised by the Honourable Sir George Rainy. But nothing has yet been done. When the Government somehow feel the craving for an inquiry they appoint a Tariff Board or direct the Board to inquire, or set up a committee, and in a couple of months a report is made, considered, action is probably taken, and in fact everything is done. Crores of rupees are being made by swindling by some officers of the Company. I know what I say to be true. Still the heads of the departments are sitting tight, and the statement is not forthcoming. This is how the money that we are spending on railways is being mismanaged. I have got other instances which I may produce, but this one instance will illustrate the whole situation, and in the face of all this, we are today going to be taxed to the tune of 6 crores.

I shall discuss later on the effect of the textile tariff proposals and Imperial Preference on the handloom industry and the village artisans. May I ask the Government what is being done to help the agricultural population? These gentlemen on the Treasury Bench come from a country where village artisans and agricultural population are scarce. They live on their manufacturing industries. When do the Government propose to organise the village industries and small village factories? Here again in the name of agricultural improvement we are faced with heavy duties on sugar. A sum of 10 lakhs is also thrown away as a bait in the name of sugar industry research. I was not present in the House when the budget speech was made, and it reminded me of an old adage "You kill my cow and make a present of a pair of shoes to me". Now, I trust that my friend, Mr. Mukhtar Singh, will excuse me. I am not against the development of the sugar industry for which he is so keenly anxious, but I am apprehensive of the poor peasant who has no money, and you have deprived him of his sugar by this duty which now comes to be practically prohibitive to many. My Honourable friend the Finance Member compared the price of sugar in India with that in different countries. In England it is, say Rs. 11, in France it is, say Rs. 10 and probably it is Rs. 9 and Rs. 8 per maund in some other countries, and in India it must be the same. It is already a Dominion "in action", and I am afraid this is how we should prove our equality with other nations. But remember, Sir, we are taxing the poor man's sugar, which is an article of

food and a necessity of life. Why is not a bounty ever contemplated by the Government on such an item? In a country where opium is dealt out, salt is taxed, why should sugar expect a bounty?

Then, Sir, there is a provision for agricultural research. I do not understand this agricultural research. In the name of agricultural research, as I quite apprehended last year, some entomologists will be brought on fat salaries from across the seas. They will examine a few, say, half a dozen pinned insects under two or three microscopes for three or four years and then perhaps give the expert verdict that such and such an insect is a pest to such and such a crop and to make your fields free of them you must inundate your fields with the strong solution of potasium permanganate. This is what is done in the name of research. We suffer more from the mentality of importing foreign experts and that is more than anything else responsible for our cultural and moral subjugation.

In pursuance of my last budget debate remarks, I put a question during the last Simla Session and I was mortified to learn from the reply that foreign experts were actually recruited for agricultural research. The foreign Government are playing their game all right. We are eternally fit for nothing, and still development is smoothly going on in this country in every way. These are self-contradictory statements. But nothing is perhaps self-contradictory in handling the affairs of a subject race meant to be of use for the purposes of the conquering nation.

Then, Sir, money is being provided for the Banking Inquiry Committee. I am not a banker myself, but I am a representative of the people who are going to be benefited by it. Sir, I have seen many committees and I know what their value is. Of course, this Committee, like other Committees, will commit mistakes, as the Finance Member has admitted, but apart from the mistakes, I am quite apprehensive that this is a measure to carry the State usury to every door. (*An Honourable Member*: "This is an Indian Committee.") Yes, it is true that it is an Indian Committee, but this is not an Indian Government. That is my complaint. We shall take an illustrative lesson from the co-operative societies, which are also considered to be managed by our own committees. I have seen the co-operative societies working in the villages of which many of the Honourable Members have no idea. I will give you the credit, Sir, of having some knowledge of the village life, but you will excuse me if I say that many of my friends have not come in direct touch with the villages as such. If you will read the literature of the co-operative credit system in India, you will find as though the millenium were to come to this country within a period of five years. But what is happening in practice? I know of one society which is presided over by a favourite of the Deputy Magistrate of a sub-division. That favourite gentleman has since become a Rai Bahadur, or a Rai Sahib in recognition of his services in co-operative work. What was he doing in his co-operative society? He would ask the villagers to become its members, and to borrow the money provided easily. Then there is the *kist* time (payment of instalments) and when the *kist* time comes the borrowers who had spent the money in marriages, funerals, or such other items, as is usual in villages, could not pay back the instalment of the debt as stipulated. Then the Deputy Magistrate would bring in Kabuli moneylenders and would compel the villagers to borrow from them at the rate of 12 annas per rupee per annum, and pay the *kist*. Thus the accounts were clear and creditable. (*An Honourable Member*: "Where

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did it happen?") This was happening in Banki in the Cuttack district in my province. I am sure Mr. B. Das knows it and knows the man also. This is how your co-operative societies are working in many villages. People have no education, no enlightenment and no sense of responsibility or thrift, and you do not make them understand that this country is theirs, that this State is theirs and that this money is theirs Why are you planning here to carry this State usury to every door? I know in the Puri Central Bank members are themselves usurers. You may ask, as to why we do not change them. I may at once say under this system of Government it is not possible or easy. We have thought of this very often, but votes are manipulated and those persons are not allowed to get in who have a nationalistic bias, tendencies or leaning. I have made a very clean statement, and I know you do not like this. If people having nationalistic views are debarred from such institutions, how can you expect that people will ever be benefited by any committees that you may set up. Your committees must be managed by your own men and those who will manage them can alone be expected to have an intimate knowledge of their inner conditions. Could you give me the name of one Provincial Banking Inquiry Committee even today where all these conditions do not prevail? If I had time, I would have analysed the very Bihar Committee person by person. But I do not like to tire the House out, nor do I wish to attack any persons.

Then money is provided for the Labour Commission. We are always between Committees and Commissions but nothing comes out of them. This Labour Commission has already been boycotted by perhaps the most influential section of labour, and I am very glad that this has been done. It is a mountain in labour but even a mouse is not expected. Mouse is food to some classes of people, but that which these committees will produce will be poison. First of all, my Honourable friends must realise that this is not a land of labourers. If there are labourers, they are not all collected in some industrial centres, but they are scattered over throughout the country. And we have contemplated no measure of relief to the labourer or the wage-earner in the vast number of villages in India.

Even for the collected labour in industrial centres, no measures of relief, I am sure, will affect the English concerns like the Tinplate company or Clive Jute Mills, but fresh money may on the recommendation of the Commission be demanded from the poor villager, the taxpayer to cripple concerns like the Tata Company. Even for this commission the taxpayer is not paying a small amount.

This idea of fresh expense brings me to the question of the ratio. By raising the ratio, we have simply brought the purchasing power down to a very low level. And my Honourable friend Diwan Chaman Lall will excuse me when I say that we are doing this spade work for labour at an enormous cost for about 18 lakhs, which number, I believe is the same as that of the labour population of India. He will correct me if I am wrong.

Diwan Chaman Lall (West Punjab: Non-Muhammadan): May I ask my Honourable friend, what does he mean by labour population?

Pandit Nilakantha Das: I mean labour in industrial centres.

Diwan Chaman Lall: The industrial population of India in industrial centres is somewhere round about 20 millions.

Maulvi Muhammad Yakub (Rohilkund and Kamaon Divisions: Muhammadan Rural): Including the Members of the Labour Commission.

Diwan Chaman Lall: One of whom happens to be the Deputy President.

Pandit Nilakantha Das: My friend perhaps thinks of the entire population in industrial centres. This population may perhaps be larger than the labour population. I do not know about that, but all the same, I do not wish to contradict my Honourable friend Diwan Chaman Lall. Whatever that be, the greatest misfortune is that labour has no Indian or even human outlook. We have lost that under the benign tutelage of our task masters for these 170 years. The atmosphere in the British Empire is surcharged with old worn out English ideals, which are perverse, to say the least of them. Commissions and Committees are surely not expected to help us out of that ideal or outlook. Let me explain this first.

Maulvi Muhammad Yakub: Not the labours of the Honourable Member who makes long speeches in this House.

Pandit Nilakantha Das: I had the good fortune of coming across a small book which I have not got here, but I shall give its name. Its name is "Secret of High Wages", written by two Englishmen who were deputed by some industrial concerns in England or the Government of England, I do not remember exactly, who were deputed to America to study the labour and the industrial conditions there and to recommend measures with a view as to what could be done in England to cope with the competition so ruinously keen for England all over the industrial world, specially in America. In America—that was 20 years ago—what the labour was getting. The labour then was getting Rs. 90 a month as the lowest wage, and now the lowest wage of labour is Rs. 600 a month. Well, but in England there is a daily proposal to cut down the wages. If you ask why, I say that book exposes the whole thing clearly. It is the conservative spirit of the English people and the aristocratic way of looking on labour only as means of profit alone and nothing else, that is responsible for the waning of English industry, and if the angle of vision is not changed, if the outlook and attitude of the English industrialists are not properly modified and adopted to the needs of modern times, then there is no hope for the English industries. That is the conclusion of the book. They are two English industrialists. We are labouring under the same disabilities even here in India with the additional disadvantage that oftener than not our employers in management and the labourers do not belong to the same nationality. However much we may think of relieving labour and improving the industries, we have no way out, for our vision is circumscribed and unfortunately we feel subservient to a race whose ideal and culture are daily spreading and pervading the atmosphere to ruin India probably for all time to come. What are we doing for our industries so far particularly as labour is concerned? A labourer is a coolie in India, a very humiliating term applied to our men with a traditional stink about it. Of course, as I was saying in the Tata and other purely Indian concerns the outlook is a little better, the term coolie is not used there. The labourer has a more dignified name, in spite of the fact that there also there are people who do not like to see things better for their own ends.

I once went to visit a jute mill—probably the "Clive Jute Mill"—in Calcutta. Somebody said, "You just want to go to the coolie lines". I was interested in the word "coolie". It always stinks in my nostrils

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that our people are called coolies. The term, as I have indicated, has a history. It is a very obnoxious term. Well, I went there and what did I find? I found there long uniform rows of huts divided into rooms about 10 ft. by 10 ft. with one small window and one parapet wall just in front of that window. The verandah between the parapet wall and window wall about 2 feet. There in that room six people were living, sometimes including one or two women, who were the wives of some of the inmates. They were cooking near that parapet wall. The outside of the parapet wall is used as a urinal, and there was no other window or anything else. Of course common latrines and pipes were supplied at a distance. I found that even the pigs are treated much better by dealers in pigs than those coolies are treated by the jute magnates there. With this state of things, what can the Labour Commission, or whatever Commission there may be, do for this labour population? Even if they take "radical" measures like the Finance Member over there, how can the labour population be improved? As suggested by my Honourable friend, radical measures mean fresh taxation. If we want money, there is always fresh taxation, with the result that the industrialists will prosper, but the coolie will always remain a coolie. For our idea is once a coolie always a coolie. In India if a man enters as a coolie he is doomed. He must die a coolie. But it is not so in America. A man enters as a labourer and goes out as a manager. He has opportunities for every little stroke of genius that he can evince, but in our industries what do we find? A coolie, as I have said, is always a coolie. Nobody cares for him because he has no learning in English or something of this kind. We are aristocratic, we are Babus, but they are coolies. I have seen some coolies do some very technical work for these 20 years and they are people who are primarily responsible for helping the manager or the head of a department in many very intricate problems. I have seen they were even praised for that. But a coolie remains a coolie so long as this is the outlook, so long as this is the condition. So long as the labourer is not allowed to feel nationally and intelligently interested in industry, in which he has a legitimate share, which he must be able to establish and enjoy by all means. Why do you simply bring down the engines of fresh taxation and fresh oppression under the names of Committees and Commissions when your view-point is always to shelve everything and to think of every new development in terms of fresh taxation and nothing else? Nothing else is being done.

As to money making and national development, I will simply refer to one small point in this speech. I also referred to it last year. I read things between the lines from Bihar and Orissa Budget papers. Last year I said to my Honourable friends—and my Honourable friend Sir Purshotamdas Thakurdas, who was just now talking of prohibition knows it—how the opium curse is being sedulously nursed and fostered in this unfortunate land even for what they called nation building. My Honourable friend knows, as well as I do, that this Government made a war on China to push opium into their country and to make them opium eaters for their own profit and revenue, and they even tried their best in the International Convention to see that Indians never give up both selling and eating opium. That is a very long and painful history which I do not like to repeat. That chapter has somehow been closed, and the opium which this Government was selling in other countries is now

going to be stopped. God help us. It is in spite of these gentlemen, who sit on the opposite Benches, that it has been done. But now they fall mainly upon excise opium with vengeance. Last year I showed how in 1925-26 we were told and since that date we are being told that excise opium is being sold to the provinces at a price which is practically the cost price, that is without any profit. Government make no profit. The Government sell that opium to the provinces at a fixed rate, that is, at the cost of production. But I showed last year that the price realised from the provinces for selling that opium was growing more and more from year to year. This year I expected the Honourable the Finance Member to make a very strenuous attempt to see that it was cut down. But there it is. We see that the consumption of opium is increasing. Under the excise duties in the provinces, it is not easy to calculate whether the consumption has increased or decreased. But here is given the price realised from the sale of opium to the provinces. This small column in the "Explanatory Memorandum" speaks for itself.

But there is not a word in the whole speech of the Finance Member about opium, as if it is not to be cared for; and in spite of all development schemes what do we find? Under Excise Opium and Miscellaneous (less refunds) we find that, in 1926-27, when the scheme of selling at cost price began, it was Rs. 81,65,000; then it decreased next year to Rs. 78,53,000, and in the year after that to Rs. 69,51,000. This was perhaps to show the effect of opium being sold at cost price. Then came an increase. There is no explanation and an attempt is made to keep this out of view by not referring to it, though this is growing to create a very serious situation. In 1929-30 the budget figures increased to Rs. 71,29,000, but actually the amount sold was Rs. 75,51,000, and this year the budget figures are more than the budget figures of the last year, and for Rs. 71,29,000 the figure this year is Rs. 71,65,000.

I am not a master of figures, nor am I willing to quote many, but this is a clear case that the consumption of opium in the provinces is growing from day to day and still the taxpayer is going to be taxed for his own development, God knows how. With these words I oppose the Bill.

Sir Darcy Lindsay (Bengal: European): Sir, I move that the question be now put.

Mr. President: How can I so soon? Pandit Thakur Das Bhargava.

Pandit Thakur Das Bhargava (Ambala Division: Non-Muhammadan): Sir, I thank you very much for allowing me to speak on an important motion like this. Sir, ordinarily on the occasion of the discussion of the Finance Bill the position of Government in all departments is reviewed by non-official Members, and I was simply surprised at the request of the Leader of the European Group on this occasion to stop further discussion.

Sir Darcy Lindsay: Sir, on a point of explanation, I would like to say that I would not have moved for the closure, had the speeches been confined to moderate length.

Pandit Thakur Das Bhargava: Unfortunately I have not caught what fell from my Honourable friend, Sir Darcy Lindsay. Sir, on the last occasion when I spoke on the Finance Bill I remember how the European Group behaved then. I have not so far made any complaint on that

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score, but since this request comes at this inopportune time, I will have a word about it also. Last time when I spoke in this House about the condition of the depressed classes, the European Group had not the heart to hear me. In fact the condition of the depressed classes is one which, not to speak of Government, the European Group even have not the heart to hear. They began thumping their desks and they did not allow me to proceed further. The reason is very clear. The condition of the masses, for whom Government always claim to be the trustees is so deplorable that it breaks one's heart to hear the entire story. These Europeans, who generally live in the cities never see beneath the surface. These big officials, who generally mix with the higher strata of society, do not know the actual condition of the masses; and if it be true that many of them know the real condition, they have not the heart to hear the actual condition from the non-official Members. Sir, the condition of the masses is really heart-rending, and if I were to depict to you the real condition of the district from which I come, I think you will not be able to hear that with equanimity. For about seven or eight years the harvests have failed, and yet the land revenue is being realised from these people. In all these years, if I mistake not, more than two-thirds of the cattle, their only wealth, have died, and yet Government have done very little for these people. At present, if an inhabitant of that place gets one anna a day, he blesses those who provide work for him. I have myself got experience of the condition of those people, and I can say, quite confidently, that if any Member of this House questions anything that I am saying, he has only to run with me in a motor car a hundred miles from this place, and he will find that what I am submitting is absolutely correct. It is true that what I am submitting is unbelievable, but what I am stating exists in real fact. Sir, I myself did not believe that the *charkha* has got the potentiality for famine relief which is always claimed for it. Now, Sir, I have been convinced by my own experience that the best insurance for famine is the *charkha*, and those who get one anna a day bless those who provide work for them. I myself did not fully believe it when it was being said that one anna and six pies a day was the average income of an Indian, but now I have seen with my own eyes that people can subsist on three pice a day, and as a matter of fact in the Hissar district at present lakhs of people are not spending more than that for their diet. It is a fact that three persons died of mere starvation in Talwandi village in the Hissar district only a fortnight ago.

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Sir, this is their economic condition. What have Government done to relieve that? Government appointed an officer drawing a salary of Rs. 2,500 per month, some Superintending Engineer, to find out the conditions in the Hissar district. He came into the district; he went to some villages; he went to some canal irrigated villages, and to some *barani* villages also, and he reported that still the cheeks of some of the children were rosy, that some of the girls were wearing silver bangles, and there was no famine in the district. But the Commissioner of the Division and the Deputy Commissioner, who saw the conditions with their own eyes, were not convinced by the report and they started some famine works in the district. Now, Sir, according to the Famine Code, two annas and three pies are given per day to every adult who is ablebodied and can work. People have to come from a distance of 5 miles or more to get that sum of two annas and three pies per day. They have to walk for five miles each way and yet get only two annas and three pies per day, and this is regarded as sufficient for their own maintenance or for the maintenance of those who depend upon them, for their clothing and for all that a man requires. Yet, Sir, people in some places flock to those famine works. Sir, this discloses a state of things for which the Government of India or the Government of any country cannot take credit. In fact, Sir, the conviction is growing in me that this Government is most unsuited to the needs of the poor people of India. It is inherently incapable of looking after their needs and bringing comfort to them. Sir, I do not know if many of the Honourable Members have ever visited the house of a *chamar* or *chuhra* in a village. If they had gone there, they must have seen his possessions, his mode of living and other matters connected with him. Any person who has seen him labouring from day to day, labouring day and night, giving *begar** and doing all sorts of things which fall to his lot, must have perceived that, in all his occupations and in all what he has to do, he does not possess the characteristics and the standard of living which the subject of a civilised government should possess. Sir, the British Government always say that they are responsible for law and order, that all these taxes are taken with a view to insure security and peace to the people of India. May I judge this stunt from the point of view of that poor man, a member of the depressed classes, living in a village? What is there of his to be protected? Does he possess any property which has got to be protected? Does he possess any other thing which this Government alone can protect? He has got no possessions to be protected, and, Sir, if you look to the liberty of the person, I think a worse condition prevails. *Begar* is still taken from him not only by the landlord, but by the agents of this Government. Some time back, I put a question to the Honourable the Home Member, if on the occasion of the tour of His Excellency the Viceroy, people were made to stand by the railway line and if they were paid anything for that. The reply given was that it was not so. Sir, I received information from a very reliable source. A gentleman took down the statements of those persons who were asked to stand by the railway line, and he has sent those statements to the Commissioner of the Division as well as the Private Secretary to His Excellency the Viceroy. I do not know from where this information was conveyed to the Honourable the Home Member that there was no foundation so far as this statement was concerned. Now, Sir, an improvement is visible. Last time when the Viceroy went to Ajmer, people were paid 8 annas a day, and I understand that Rs. 18,000 were spent for payment to those who were made to stand on the railway lines and bridges to guard them. I have put in a question now and I hope the reply will be given that the Government do not know if people were made to stand. So that so far as the condition of the poor man is concerned, we find that impressment, forced labour, and all these things which are usually complained of in this House do exist in their primitive rigour.

Now, may I know whether the Finance Member has got anything to say, which would bring comfort to those poor people? The Finance Member has chosen to provide for revenue which he needed in a fashion which cannot be blessed by the poor man. Sir, I do not grudge any protection to the millowners of India. I would wish that this process of building up again the industries which were crushed by this Government itself was taken up with more earnestness. I wish that the industries in India would thrive. But, then, Sir, what will that bring to the poor man

*Forced labour.

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who may not appreciate these things? Will he get the clothing which he wears at a cheaper rate? After all, what is the clothing, Sir? If you be pleased to see the budget of the poor man, he only has got a *dhoti* and a *Kamri* (waist coat) during all the summer and the cold season and that will last him for a year. Will he get it cheaper? The reply is, no. Will he get his salt cheaper than before? The reply is, no. Will he get sugar cheaper than before? The same is the reply.

Mr. President: Who has given that reply?

Pandit Thakur Das Bhargava: Sir, the speech of the Finance Member gives that reply. Does he say a word about the poor man? He speaks of the consumers and he speaks of other things. But where does he speak of the poor man? After all, Sir, when he refers to that matter, he refers to the future in these words:

"In the first place, and above everything, it is necessary to stimulate and improve the agricultural production of the country and, as a supplement to this, to put the poorer agricultural classes into a position in which they can retain a greater proportion of their own produce for their own subsistence. In the second place, it is desirable to encourage industrial development provided that this can be done in conjunction with, and as a supplement to, the agricultural life of the country."

This is a poor solace, I submit. All Finance Members must have given this solace to the dying man. Does it bring immediate solace or does it solve the question at issue? It may happen, after 20 or 30 years, an industry which has not even been started now, may grow up and subsequently some persons may or may not be benefited. But today this Finance Bill is to be judged on its own merits. Now, Sir, the previous Finance Member gave us rosy hopes for the future. I remember the words of the last speech of Sir Basil Blackett, when he said that the future Finance Member would bring relief to India, and no doubt the future Finance Member has come and I do not know whether, when he leaves the shores of India, he will leave a similar legacy to the coming Finance Member. Be it said to the credit of the present Finance Member that, in his budget speech, he has been frank. But his frankness is, I should submit, more fearful to the ordinary man than perhaps some other quality of the past Finance Member, which it would be harsh in me to name in the absence of the past Finance Member. After all, out of his frankness, we get the true position, but the true position itself is very distressing. I know that the past Finance Member concealed certain liabilities and then, on account of the appreciation of the ratio, gave us some surplus Budgets which have not fallen to the lot of the present Finance Member. Anyhow, Sir, what has the present Finance Member done? At one stroke he wants new taxation of about Rs. 5 crores. This cannot bring any sort of solace to the poor man.

Now, Sir, leaving that aside, I will refer to another grievance, the grievance of the members of the depressed classes. Sir, it has been recognised by all economists that land is the chief source of all economic goods, and the right to acquire land is one of the elementary rights of the subject of any civilised government. The members of the depressed classes cannot buy land. I put a question in this House to the Government as regards Delhi, whether the Land Alienation Act has been extended to it or not, and the reply given was that it has been so extended. Now, Sir, it is quite clear that the members of the depressed classes have

agriculture as their chief means of livelihood, and it is by their labour that their landlords get their agricultural produce from land. May I again inquire on account of what policy, on account of what inherent defect in the members of the depressed classes they are not allowed to buy land? Sir, the truth is, this Government only exists to further the interests of British capitalists, and to that end every law is administered, every committee and every commission is appointed. If you will go to the root of the matter why members of the depressed classes are not allowed to buy land, you will come to the conclusion that this Government wants to stereotype divisions among the society. They want to perpetuate the classes and castes for all time to come. This is the result of that policy. Sir, the policy which monopolises the higher services in the Army for the Europeans, the policy which monopolises the railway service for the Anglo-Indians, the policy which divides the classes of this country into military and non-military, agricultural and non-agricultural classes, is responsible for the present state of things, and a foreign Government, which subsists not on inherent right and justice, but whose chief support of existence is favour to one community and disfavour to another, is bound to keep up these differences, and this inherent defect, this disability of the members of the depressed classes is based upon that necessity of a foreign Government. Now, Sir, this is not a complete summary of all the wrongs that a member of the depressed classes suffers from. In social matters he is not allowed to go to those schools to which students from other communities come. He is not allowed entry into certain temples. He is not allowed to take water from certain wells. He is not allowed to pass over certain roads on which others pass. Sir, it may be said that Government are not responsible for these social wrongs, but, Sir, if you will kindly go deep into the matter, you will come to the conclusion that it is the Government which is responsible for this mentality of the other classes towards those depressed classes.

Then, again, a Resolution was passed by this House to the effect that special facilities should be provided for entry into services, especially the Police and the Army, to members of these depressed classes. May I inquire whether it has been done? I am sure, Sir, this has not been done, and with your permission, Sir, I will point out the Administration Report of the North-West Frontier Province, in which it is distinctly stated that efforts were made to see that these persons who had come into the Police force in war time, and who belonged to the depressed classes, were eliminated, and as a matter of fact, I understand, as the result of that policy, members of the depressed classes who had come into the Police force, were expelled from that service. That will be found on page 7 of that Report of the North-West Frontier Province.

Now, Sir, in regard to other places, in regard to other services, this Government, which is the trustee of the depressed classes, has yet to render an account whether, in any case, they have been employed or not. I would submit, Sir, and I presume the reply will be, that the Government have done nothing in this matter. This Government have of late years been trying to rake up some differences between members of the depressed classes and other Hindus. Now the Government have got many arrows to their bow; there is the question between the Hindus and the depressed classes, there is the question between the urban classes and the rural classes, especially in the Punjab, and there are other differences.

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They are all as a matter of fact, bred, nursed and kept up by this Government's policy of divide and rule. Sir, so far as the condition of these poor people is concerned, that by itself is enough to condemn any Government, and if the Finance Member proposes to collect more taxes from the people. I would submit that requisition alone is quite sufficient to make us reject this Finance Bill. I refuse to consider this Finance Bill, because this Government is incapable of looking to the interests of the poor man.

Now, Sir, leaving the poor man, if you come to the middle classes, or the higher classes, you will be pleased to see that the Finance Member has himself admitted in his budget speech that they are not well off. He says, "It is very obvious at present that India is suffering from a general wave of depression". Further on, on page 59, he has said that the price of cotton and the price of wheat have both gone down, and as a result of world depression, or in consequence of certain factors peculiar to India, there is a depression in trade and industry. Now, Sir, if there is a depression in trade and industry, if the agriculturists are not all right, if the trades people are not all right, may I inquire from where the Rs. 70 lakhs of income-tax would come? Sir, in this country, not to speak of the poor man, the middle classes are so very much over-taxed that they are incapable of bearing any fresh burdens of taxation. Sir, every bigha of land tilled by a poor man or by a rich man is taxed in this land. Every person who eats salt, who eats sugar, or who in any way uses anything imported into this country, or even things which are not imported, has to pay tax. Leaving aside the indirect taxation which is levied in this country, by way of customs, even the direct taxation is enough, and when proposals for fresh taxation are made, non-official Members cannot but oppose them.

Sir, the income-tax, as I have submitted, and the super-tax, which was regarded as a special war measure, have come to stay, and an increase in those taxes has to be justified by Government. Now, Sir, it is wrong to say that income below Rs. 2,000 are not taxed in this country. If a Hindu family has got five members, and if the joint income of those five persons comes to more than Rs. 2,000, that income is taxable. I would submit, Sir, that the land tax and other municipal taxes, if collected together, do amount to such a heavy figure that the poor people and persons belonging to the middle classes feel the pinch of those taxes, and I consider that this increase in the income-tax and super-tax as entirely unjustified.

Sir, so far as the present position is concerned, I submit that the step taken by the Executive in regard to the restoration of the Army cut is by itself one which should be condemned by this House. It shows, Sir, unmistakeably that the Executive is irresponsible. In any other country, if in the Budget a proposal of this character was rejected by the House, it would have brought about the resignation of the Government. Now this cut has been treated by the Executive Government with such lightness, as if the Assembly has absolutely no power. After all, it was not difficult to provide for five lakhs of rupees in a Budget of 55 crores, and it shows, Sir, that this Government are not amenable to public opinion. Sir, if the entire Budget were framed with the consent of Members on this side of

the House, there would have been some sense in asking whether the cut, as passed by this House, was one for which provision should have been made by Government or not, but when the Government itself do not take this side of the House into their confidence, any cut made by this House should not have been restored on the ground that the House has shown no responsibility.

Sir, so far as the economic condition of the poor people of this country and of the middle classes is concerned, this position cannot be improved unless and until the Government of the day take it into their heads to provide for industrial and commercial development. Now, Sir, generally the impression was that the Government had not funds at their disposal and that they were doing something in the matter, but since I read the speech of the Honourable the Finance Member, I have come to believe that this Government do not want the industrial regeneration of this country, but are only anxious to have the regeneration for a specific purpose. The words of the Finance Member, which I have quoted already, will certainly bear repetition, and they are:

"In the second place, it is desirable to encourage industrial development, provided this can be done in conjunction with and as supplementary to the agricultural life of the country."

Now, Sir, if we look at Japan, and if we read the history of the development of industries in Japan, what do we find? We find that a group of 10 or 15 villages has got its own industries, and there can be no famine in the land, because they have a subsidiary occupation for the inhabitants of those groups of villages, whereas in India there are no industries on which people can fall back in times of famine, and now the only industries, which the Government think they should provide for, are such as can be done in conjunction with and as a supplementary to the agricultural life of the people. Sir, the Government do want that India should be prosperous agriculturally; they want that the people of India should have some purchasing power, so that the manufactured products of England and other foreign countries may be purchased by the people of this country; but apart from that, the Government are not anxious to do anything more for the people of this country.

Now, Sir, in the Finance Bill, we find a reference to the increased taxation on sugar. I for one do welcome protection for sugar, but this protection comes in only incidentally. If protection had come as it ought to have come, I would have certainly welcomed this taxation, and I would have only complained that the provision was not enough but here the taxation comes in only incidentally, not as a protective measure but as a revenue duty. Sir, may I inquire from the Members of this Government why they have fought shy of referring both these questions relating to sugar and cotton textiles to the Tariff Board? Why did they not submit these questions to the Tariff Board for their opinion? Sir, the sugar industry will yield about one crore and 80 lakhs, and only 10 lakhs are given for research, etc. Is it sufficient? Does it mean business? My submission is that this Government do not do these things with a view to help the development of these industries. If as a by-product of its efforts these things will come in, we cannot congratulate the Government.

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Now, Sir, the reference to the cotton textile industry will also show the same thing. We know that the Report of the Tariff Board came out in 1926, and the Government said, in reply to a question by me put on the 26th March, 1928, that they did not mean to do anything further than what they had done in 1927. We know that the Act of 1927 was not brought in as a result of the recommendations of the Tariff Report. The Tariff Report never made these recommendations on which the Act of 1927 proceeded, and further on, Sir, you will be pleased to find that the Tariff Report discountenanced all kind of Imperial Preference, and reported that the production of finer counts of yarn and finer cloth should be encouraged in this country. Because Government wanted revenue, therefore they brought in these duties, and protection comes in incidentally. If they were really anxious to provide protection to the hand-loom industry and to the mill industry, they ought to have referred back this matter to the Tariff Board and taken their opinion on it. Now, Sir, an incidental reference has also been made to the hand-loom industry. May I know on what basis and on what facts the Finance Member says that these measures will be of real benefit to the hand-loom industry throughout the country? The matter has not been referred to the Tariff Board and we have had no occasion to know whether that industry will be affected prejudicially or would be benefited by this measure. If good comes out incidentally, well and good, but the Government never thought that the hand-loom industry had to be protected, and they never sent the matter to the Tariff Board for report.

Now, Sir, if you refer to the policies of this Government, especially the railway policy, you will be pleased to see that there also it is not the poor man who is benefited.

Now, every year the pice post card comes up for discussion. Even today the measure of 1922, doubling the price of the pice post card, remains where it was. The difficulty felt by the Government is that money is not to be found, but when a deficit of five crores occurs in the Budget, the Finance Member comes in to help the Government, and five crores are found, whereas if the pice post card was to be restored, a sum of 70 or 75 lakhs only would have to be provided. From this it is quite clear that the Government do not realise the strength of the popular opinion. This Government do not care as to how the poor man is suffering. He is not vocal and nobody takes care of his interests.

Sir, if we look at the present political situation and the way in which this Government have handled it, I can say with confidence, and everybody in the House will agree with me, that the policy of the Government does not inspire confidence. A hope was kindled in the minds of Indians when the present Viceroy came back from England and made a speech on the 31st October, 1929. Public leaders with one voice welcomed that speech and issued a manifesto. A wise Government should have taken the opportunity of reconciling the leaders and Indian public opinion. But what followed? The situation was made worse by the reluctance of the present Government in India and in England to give the assurance to the leaders of Indian public opinion that they were wedded to the grant of Dominion Status. After all the difference was only this. Mahatma Gandhi and other leaders wanted an assurance from the present Government that they would do all in their power to see that Dominion Status was granted. I can understand that it is not in the power of the present

Government or the Government in England to ensure that Parliament will accept the suggestion that they will make. Sir, I know that this Government has been accused of making promises and then breaking them every now and then. This is a history of which no Government can be proud, but I do not understand what there was in making a promise and if they did not mean to keep it in breaking it the next day. That has been their history, and they would have stuck to their traditions if they had behaved like this. The utterance of 31st October, gave us every hope, but on the 25th January, this year that hope was shattered. Unless and until the Government adopt wise measures and conciliate Indian public opinion, I am afraid the situation will not be eased. This Government are proud of their Army. It may be that the attempt of Indians to force this Government to adopt a more conciliatory attitude, or to wrest from their hands the just rights of the Indians may not for some time succeed, but then, Sir, I do not know how to reconcile the past history of the British nation with their present attitude. We have been taught in English history to regard Englishmen as lovers of liberty and lovers of freedom and peace. We have seen how, in regard to their own liberty, they beheaded kings. They fought civil wars. They did everything in human power to preserve that liberty and that freedom. It is rather too great a strain on one's credence to believe that the same people, who fought in this way for their own liberty, should behave in this manner when the liberty of Indians is in question. Sir, I know that economic interests are perhaps more substantial and dense than sentiments, but now when India has awakened to its own interests, this Government fully know it is impossible to keep away from the Indians their just rights. It is a question of time only, but if the Government behaved properly, it is likely that, in the future days to come, amicable relations between the two peoples of India and of England may continue. But if this Government persist in their present policy, I have no suspicions in my mind that it will result in greater bitterness and alienation from each other. Sir, generally appeals are made whenever occasion arises, to our sentiments as members of the Empire. Now, Imperial Preference is coming, and on every occasion whenever the need arose, either in times of war or in times of peace, appeals were always made to Indians as members of the British Empire. Now, Sir, I do not know how it would delight the Englishmen, dominant partners of this Empire as they are, to participate in a war, non-violent though it may be, with their Indian fellow citizens. It pains one's heart to see that the Indian exchequer should spend sums of money to fight with Indians in a struggle which is peaceful, which is non-violent and which is meant only to vindicate the rights of Indians. Sir, the solution of this difficulty is not by way of convening a Round Table Conference in which Mahatma Gandhi, the soul of India, will not join. I do not doubt that statesmanship is not bankrupt and that wiser counsels shall prevail, and that both the British Government and the Government of India will devise some means to find out a solution. They must remember that they are fighting with a man who is today the most respected man in India. He is the man to whom every heart goes out in sympathy and in obedience. It is true that all these Honourable Members who are sitting here are co-operating with you, but I can assure the Government that our hearts are with Mahatma Gandhi. In the struggle which he is making against this Government, there is not a single Indian, whether

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official or non-official, who does not wish him victory. Sir, when the entire nation is behind Mahatma Gandhi, it is idle to think that the spirit of Mahatma Gandhi will be crushed. If any Government thinks like that, it requires some sort of treatment. Sir, I can without being a doctor, submit that this Government also require some sort of treatment. This Government are inebriated with power, but they must realise that, after all, the just rights of the people cannot be long denied and the inebriation of power cannot last for long. Sir, for all these reasons I have no option but to submit to the House that this Bill should be rejected.

Mr. President (to Haji Abdoola Haroon): Is the Honourable Member willing to conclude his observations in 10 minutes?

***Haji Abdoola Haroon** (Sind: Muhammadan Rural): I will try, Sir, to finish my speech in 10 minutes.

Sir, I want to say only a few words on this Bill. In this Bill there are about five or six new taxes and many Members have already spoken on them. My Honourable friend, Sir Purshotamdas Thakurdas, has already spoken on silver, cotton and some other things; I want to speak on sugar. There are some Members who have also spoken on the sugar duty, but I want to draw the attention of the House to the fact that, already there is a tax on sugar to the extent of 75 per cent. With the new tax on it, it will go up to 100 per cent. Sir, sugar is consumed mostly by middle class people, and Honourable Members can visualise the hardship which they are already undergoing because of this tax. Of course, when I move my amendment to the Schedule, I will give the whole history of the sugar taxes, sugar industry and what the Government have up till now done so far as this industry is concerned. I do not want to take up the time of the House just now, as I have already promised to the Honourable the President to conclude my speech within a few minutes. Sir, when the Honourable the Finance Member introduced his Budget on the 28th February he raised the sugar tax by Re. 1—8 per cwt. I do not wish to touch upon the sugar trade of Karachi and Bombay which is sustaining many difficulties by the the arrangement of the Government of India with the Kathiawar States. I do not wish to open the old history and show how the settlement was arrived at between the Government and the Kathiawar States. But I want to draw the attention of the House and of the Honourable the Finance Member to the fact that, after levying this new duty on the 1st March, the merchants in Karachi, Bombay and Calcutta know very well that, according to the Sea Customs Act, any fresh duty which is levied must be paid on the 1st March, whether the new sugar or any sugar for the matter of that lies in the Indian ports or in the steamers. We think that everybody must pay the duty according to the Sea Customs Act

*Speech not revised by the Honourable Member.

and according to the customary law. But we have learnt that the Government of India have issued a circular saying that the sugar of the Kathiawar States should be passed through the Viramgam chold on old rates.

Mr. President: Is that so? Is there a circular to that effect?

Sir Purshotamdas Thakurdas: Yes, up to the 31st March, 1930.

Haji Abdoola Haroon: Up to the 31st March. Then the people of Bombay and Karachi learnt all these things and immediately sent a telegram to the Honourable the Finance Member. A deputation from the Bombay and Karachi ports, consisting of Members of recognised associations, then waited upon the Honourable the Finance Member, and I was included in the deputation. Not only that, the Chamber of Commerce of Karachi, which consists mostly of Europeans, wired to the Honourable the Finance Member. Besides the Sugar Importers Association of Calcutta, which consists of both Europeans and Indians, complained about these things.

The Honourable Sir George Schuster: I must supplement what my Honourable friend has said. I think he has perhaps given the House a misleading impression. The Government of India's circular referred to sugar imported into the Kathiawar ports before the 1st March of this year, that is to say, the regulation applicable to sugar imported into the Kathiawar ports was to be exactly the same as that applicable to sugar imported into British India ports subject to this, that as regards sugar imported into the Kathiawar ports it is subject to a further restriction. It must not only have been imported and landed before the 1st March, but it must also cross the Viramgam line before the 31st March. So that no discrimination was made in the arrangements specified by the Government of India between sugar imported into the Kathiawar ports and sugar imported into British India ports, but whereas a man who imports sugar into British Indian ports can keep it there as long as he likes an importer who has brought it into India through one of the Kathiawar ports has got to get it across the Viramgam line before the 31st March if he is to escape the higher duty.

Haji Abdoola Haroon: I am very thankful to the Honourable the Finance Member. But I wish to bring it to his notice that the Government of India have permitted the Kathiawar ports to pass through Viramgam sugar which has already reached those ports, that is before 31st March. The merchants of Bombay and Karachi always pay sugar taxes in cash to Government, but the Customs Collectors do not allow us any concessions. Whereas in Jamnagar and Kathiawar ports, I do not know whether the Honourable the Finance Member is aware on what quantity of sugar lying in those ports duty is paid. I have several times asked that question. I know that the Government of India have not got the figures before them as to how much duty is paid on sugar in Jamnagar. I wish to draw the attention of the Honourable the Finance Member to the fact that, whenever the steamers come with sugar, we, the merchants of Bombay and Karachi, have to pay full duty, whereas in Kathiawar ports, we learn that the State's officers are satisfied with taking some sort of security from the merchants and they consider that the sugar duty is paid. I also wish to ask the Honourable Member how

[Haji Abdoola Haroon.]

much sugar has passed through the Viramgam line. I am sure that the Honourable the Finance Member will kindly compare the figures of sugar exports this month, *i.e.*, to the end of March, 1930, with the figures for March, 1929, that is, last year. Then he can understand how things are coming to pass and how the British Indian merchants in the ports have suffered. Of course, it may be said that everybody is agitating according to his own wish. But in this case, I wish to emphasise the fact that, not only Indian importers but also European importers, are complaining about this treatment of the British Indian ports and this discrimination between British Indian ports and Kathiawar ports. When I led the deputation of Bombay and Karachi merchants to the Honourable the Finance Member, he heard us very patiently and he treated us very kindly and we submitted a memorandum after that. I do not want to open all those matters now. But I wish to draw the attention of the Honourable the Finance Member to the fact that, since entering into an agreement between the Government of India and the Kathiawar States, we, the merchants of Bombay and Karachi, have specially suffered very heavily on account of this agreement. Not only that, not only have we suffered, but the Government of India also have suffered very heavily in the recovery of their duties. I am sorry, Sir, that my time is coming to an end . . . .

Mr. President: The Honourable Member might go on if he has got anything more to say.

Haji Abdoola Haroon: Thank you, Sir. I want once again to make it clear that the merchants of Bombay and Karachi are of opinion that, not only do the Government of India lose the duties, but also the State people, who are employed in the sugar trade, are enjoying an advantage at the expense of the British Indian Government. Their sugar trade is flourishing. It comes to this, that they are getting three months' credit to pay the taxes to the Government of India, after passing the Viramgam line, whereas we, people in British India, have to pay before taking delivery of sugar a minimum tax of Rs. 9, before, and now, Rs. 12 per bag immediately. Besides that, we also understand that a sort of sugar called *bura*—crushed sugar—is passing through the Viramgam line. That sugar is not taxed on the Viramgam line, because it is sugar manufactured in the State. I know very well Sir, that not a single State in Kathiawar manufactures sugar. On the pretext that it is locally manufactured the Java sugar is converted into *bura* sugar, and that passes the Viramgam line without paying a single pie as duty. I have no objection to the States benefiting by this, but the British Indian merchants are the losers in the bargain. You can understand, Sir, how in this manner the British Indian merchants of Bombay and Karachi have to compete with the State. Besides, the Rajas of the States are helping their subjects, and coupled with the help that they indirectly get from the Government of India, they become too great a rival for us, and I do not think we can successfully compete with them in this way. Besides that, this new duty has risen, and according to the circular, which my Honourable friend has accepted, they have allowed sugar to pass till the 31st March. I want to say in this House that, with this condition, the sugar market could not rise along with the raising of the duty; and

therefore the Jamnagar people and the Kathiawar people are selling in Upper India, Delhi, the whole of Rajputana, and half of the Punjab and we are suffering on account of that. We have approached the Finance Member and told him that the Jamnagar people have been allowed to pass till the 31st March, sugar which was landed till the 28th February. Of course, according to the Customs Act, we are bound to pay the excise duty, but we should be given some facility. That means that, with regard to the sugar which has already reached the ports of Karachi, Bombay and Calcutta, and this sugar which is already lying on the shores of India, we should be relieved of that small amount of duty, namely, about 24 thousand tons. I hope he is considering the best way, and that he will give some little relief in this matter to the Karachi and Bombay people.

With these few words, I hope that, in the near future, these things will be properly considered by Government.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 19th March, 1930.

1930

LEGISLATIVE ASSEMBLY.

Wednesday, 19th March, 1930.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

QUESTIONS AND ANSWERS.

PROTESTS AGAINST THE CHILD MARRIAGE RESTRAINT ACT.

856. ***Mr. M. K. Acharya:** Will Government be pleased to state:

(*a*) whether they have received, since the 1st of February, 1930, any telegrams protesting against the Child Marriage Restraint Act of 1929; and if so, how many?

(*b*) whether they have received any resolutions or any memorials or petitions, since October 1929, desiring the repeal of the Act, or the exemption from the Act of any community or sub-community in British India?

(*c*) what is the total number of these resolutions; how many have come from each province?

(*d*) what is the total number of signatories to the above memorials or petitions?

(*e*) what response do Government propose to make to the above representations and when?

The Honourable Sir James Crerar: (*a*) Yes. 543.

(*b*) Yes.

(*c*) 494.

Madras 73. Bombay 51. Bengal 68. United Provinces 86. Punjab 60. Burma 16. Bihar and Orissa 59. Central Provinces 39. Assam 23. North West Frontier Province 9. Delhi 4. Ajmer 1. Baluchistan 1. Mysore 4.

(*d*) 39,886. It may be observed that in many cases the same petition bears a large number of signatures in different scripts which it is not possible to verify.

(*e*) Government are aware that there is considerable feeling regarding the provisions of the Act. They trust, however, that the difficulties at present felt may be resolved on further discussion and consideration of the problem. There are several Bills pending bearing on the subject which Government propose to circulate for opinion.

APPOINTMENT AS TOWN INSPECTOR OF BABU SUDHAKAR BOSE, IN SUPERSESSION OF SENIOR CLERKS IN THE GENERAL POST OFFICE, CALCUTTA.

657. ***Mr. Anwar-ul-Azim:** (*a*) Will Government be pleased to state whether it is a fact that Babu Sudhakar Bose is an employee in the Calcutta General Post Office?

(*b*) Has he been recently confirmed as a permanent clerk of the Calcutta General Post Office?

(*c*) Has he passed the departmental examination for promotion to the lowest selection grade in the Post Office and Railway Mail Service?

(*d*) Is it a fact that he has been appointed to act as selection grade Town Inspector in Calcutta in supersession to eleven hundred clerks of the Calcutta General Post Office and its town sub-offices who are senior to Mr. Bose?

(*e*) Will Government be pleased to state the reasons for such supersession if the reply to part (*d*) above is in the affirmative?

(*f*) Is it a fact that, owing to his very junior position, Mr. Bose was not allowed to sit for the last selection grade examination?

(*g*) Is it a fact that many officials, who are senior to Mr. Bose, and have also passed the selection grade examination, are available for appointment in the lowest selection grade posts?

(*h*) If the reply to part (*g*) is in the affirmative, will Government be pleased to state why special treatment has been accorded to Mr. Bose in supersession to the passed and qualified officials who are all senior to Mr. Bose?

Mr. H. A. Sams: The information required by the Honourable Member has been called for and will be furnished to him in due course.

†658*

EXAMINATIONS BY THE PUBLIC SERVICE COMMISSION.

659. ***Mr. S. C. Mitra:** (*a*) Will Government please state the total number of men who sat for the Upper Division test of the ministerial selection branch examination of the Public Service Commission held in November 1929? What number has been declared qualified? What is the percentage of passed men to the total number?

(*b*) Is it a fact that an overwhelmingly large number of these men are stenographers?

(*c*) Is it a fact that a pass percentage of marks was fixed for each individual paper? If so, what was this percentage? Was this procedure of fixing a percentage in individual papers ever adopted by the late Staff Selection Board, or even the Public Service Commission, in similar examinations held in the past? What were the special circumstances that led the Commission to adopt this novel procedure for this particular examination?

(*d*) Are Government aware that this was the last qualifying examination for departmental candidates?

†This question was withdrawn by the questioner.

(*e*) Will Government please state the number of candidates who obtained 60 per cent. or more marks in the aggregate and have not been declared qualified for the First Division of the Secretariat?

(*f*) Are Government aware that this result has created great discontent among the Secretariat Staff? If so, how do Government propose to redress it?

The Honourable Sir James Crerar: (*a*) 425 candidates appeared for the upper division, of whom 17 were declared qualified.

(*b*) Eight of the successful candidates are stenographers.

(*c*) and (*e*). The matter was left to the discretion of the Public Service Commission and Government are not in possession of the details asked for.

(*d*) Yes.

(*f*) Disappointment must, of course, be expected among those who have not been successful.

AGE LIMIT FOR CERTAIN EXAMINATIONS BY THE PUBLIC SERVICE COMMISSION.

660. ***Mr. S. C. Mitra:** (*a*) Will Government please state the age limit fixed for the candidates who took the November 1929 examination of the Public Service Commission for the Ministerial Selection Branch?

(*b*) Will the departmental candidates be allowed to take the future competitive examinations irrespective of their age-limit provided they are educationally qualified? If not, what will be the age-limit and other conditions which the departmental candidates will have to fulfil to enable them to take the examination?

The Honourable Sir James Crerar: (*a*) 35 years.

(*b*) No. The ordinary age limits and other qualifications will apply.

EXTENSION OF SERVICE OF SIR NORMAN BOLTON, CHIEF COMMISSIONER, NORTH WEST FRONTIER PROVINCE.

661. ***Mr. Mukhtar Singh:** (*a*) Will the Government be pleased to state as to when the term of office of Sir Norman Bolton the Chief Commissioner, North West Frontier Province came to an end?

(*b*) Is it a fact that he has already been given one extension and the Government are taking steps to grant him a further extension of two years from next July?

(*c*) Are Government aware that the aforesaid gentleman's administration is not popular and the public feeling is against granting him any further extension?

(*d*) Will the Government be pleased to state the special reasons for granting an extension to the said gentleman?

Mr. E. B. Howell: (*a*) 6th July, 1928.

(*b*) The reply to the first part of the question is in the affirmative and to the second that no decision has been reached.

(*c*) Government has no such information, and have, on the contrary, ample evidence of the degree to which the Chief Commissioner's services have been generally recognised as contributing to the peaceful state of the frontier in a very critical time.

(*d*) The interests of the public service.

THE DISTRICT JUDGE AT DERA ISMAIL KHAN.

662. ***Mr. Mukhtar Singh:** (*a*) Will the Government be pleased to state the name of the gentleman who acts as District Judge at Dera Ismail Khan? What are his educational qualifications and since when has he been there?

(*b*) Is it a fact that the said gentleman is a resident of Dera Ismail Khan, and are Government aware that his appointment there is resented by the public?

(*c*) Do Government contemplate his transfer from that District? If so, when is he likely to be transferred?

Mr. E. B. Howell: (*a*) Khan Sahib Muhammad Nasir Khan, who has been holding the post since 8th December, 1925. He was educated in the Imperial Cadet Corps and his educational qualifications are considered adequate.

(*b*) Yes. Government have no information that his appointment is resented by the public.

(*c*) No.

REPRESENTATION IN THE LEGISLATIVE ASSEMBLY OF HINDUS IN THE NORTH WEST FRONTIER PROVINCE.

663. ***Mr. Mukhtar Singh:** (*a*) Will the Government be pleased to state as to how the minority communities of the North West Frontier Province are being represented in the Assembly since the time of the reforms?

(*b*) Has any Hindu been ever nominated to represent the minority community since the beginning of the reforms? If not, will Government be pleased to state their reasons for so doing?

(*c*) Is it the intention of the Government to nominate a Hindu representative to the Assembly in the next formation of the new Assembly?

The Honourable Sir James Crerar: (*a*) There is no provision for representation of any community or class of persons resident in the North West Frontier Province on the Legislative Assembly.

(*b*) and (*c*). Nominations to the Legislative Assembly are made by the Governor General.

SUPPLY TO MEMBERS OF ACTS IN RESPECT TO WHICH BILLS ARE INTRODUCED IN THE LEGISLATIVE ASSEMBLY.

664. ***Mr. Lalchand Navalrai:** (*a*) Are Government aware of the fact that non-supply of Acts in respect to which Bills are introduced and considered in the Legislative Assembly is causing difficulty and inconvenience to the Honourable Members in the preparation of their speeches and debating in the House?

(*b*) Have Government taken any notice of the complaint the Honourable Mr. Jayakar made in respect thereof in the House on 6th March, 1930, when the Bill to amend the Special Marriage Act was being considered?

(*c*) Do Government propose to supply the Honourable Members with the copies of the bare Acts when they are supplied with the Bills amending the same?

The Honourable Sir Brojendra Mitter: (*a*), (*b*) and (*c*). A complete set of the Unrepealed General Acts of the Governor General of India in Council corrected up to date is available to Members on the table of the House. Another complete set, also corrected up to date, is available to Members in the Library. Government do not propose to maintain any larger number of copies, because the labour of keeping them up to date would involve a considerable additional staff for which Government feel there is no justification.

ACADEMICAL QUALIFICATIONS OF CANDIDATES FOR GOVERNMENT SERVICE.

665. ***Mr. Lalchand Navalrai:** Will Government be pleased to state:

(*a*) Whether any orders have been issued regarding the rank of graduates and non-graduates in the Government service and whether these orders have been acted up to?

(*b*) Whether any vacancies—temporary or permanent—occurred in the grade of Rs. 85—5/2—100 and higher grades in the Sind Salt and Excise Department from 1st April 1929 to date?

(*c*) If so, how many of these vacancies were given to graduates and how many to non-graduates?

(*d*) In the case of the latter how many graduates were superseded and what were the reasons for doing so?

The Honourable Sir George Schuster: (*a*) The establishment to which the Honourable Member refers is a combined one, under the control of the Government of Bombay, who act, so far as the subject of Salt is concerned, as agents of the Government of India. Recruitment to and promotion in it are governed by the orders issued by the Local Government. The Government of Bombay have issued certain instructions governing the seniority, for the purposes of promotion, of graduates and non-graduates in the Government service in the grade of Rs. 30—5—80. The Government are informed that these instructions are being followed in the Salt and Excise Department, Sind.

(*b*) Yes. In the combined Excise and Salt establishment, one acting vacancy of Accountant for a period of three weeks, in the grade of Rs. 115—5—150. In the temporary Salt establishment—

(i) One vacancy of Head Clerk in the grade of Rs. 105—5—145;

(ii) 2 acting vacancies in the grade of Rs. 85—5/2—100.

(*c*) All were given to non-graduates.

(*d*) Three graduates were superseded in filling the short vacancy in the combined Excise and Salt establishment because the non-graduate appointed to act had experience of accounts work. Three graduates were also superseded in filling the vacancy in the higher grade in the temporary Salt establishment for the same reason. In filling one of the two

vacancies in the temporary Salt establishment, no graduate was superseded. In filling the other, three graduates were superseded because the non-graduate had longer service and experience.

INTERESTS OF SIKHS AND "UNTOUCHABLES" IN THE RAILWAY BOARD.

666. ***Mr. Lalchand Navalrai:** In view of the statement made by the Railway Member, Sir George Rainy, on the 24th February, 1930, at the time of the discussion of the cut No. 21 on the Railway Budget, Demand No. 1, to the effect that, in order to make larger employment of the Mussalmans, staff officers of that community will be appointed to vouchsafe their interests, will Government be pleased to state if a similar arrangement will also be made to secure the interests of the Sikh Community and the untouchables? If not, why not?

Mr. A. A. L. Parsons: The Honourable Member has not represented the Honourable the Railway Member's remarks with entire accuracy. But no bar is laid down against the employment of officers of any particular community and in making selections for these posts every care will be taken to be fair to the interests of each community.

SAFEGUARDING OF THE INTERESTS OF SINDHIS FOR RAILWAY EMPLOYMENT.

667. ***Mr. Lalchand Navalrai:** (*a*) Is it a fact that the Head Office of the North Western Railway, Sind Section, is at Lahore in the Punjab?

(*b*) Will Government be pleased to state if there are any staff officers belonging to Sind in the office of the Agent to represent and vouchsafe a due share of services for Sindhis in Railway employment? If so, who are they?

(*c*) If not, are Government on the same principle as stated in the preceding question, prepared to appoint some Sindhis on the staff of the Agent, North Western Railway, for the same purpose?

Mr. A. A. L. Parsons: (*a*) The headquarters of the Agent, North Western Railway, who is the Chief Administrative Officer of the Railway, is at Lahore.

(*b*) and (*c*). There is one Sindi Officer at present in the Staff Branch of the Agent's Office. In the discharge of his duties he is expected to be fair to the interests of every community.

AGE LIMIT FOR ENRTY INTO GOVERNMENT SERVICE.

668. ***Mr. Lalchand Navalrai:** (*a*) Will Government be pleased to state what is the age limit for entry into Government service?

(*b*) If the answer be 24 years of age, will Government be pleased to state if it is for all classes of service?

(*c*) Is it a fact that entry into the Judicial line by double graduates (LL.B.), is allowable up to the age of 30 years?

(*d*) Are Government prepared to raise the age limit of recruitment to Government service to 25 years in order to give sufficient opportunity to the candidates to acquire a higher education before entering into the Government service?

The Honourable Sir George Schuster: Provincial Governments have power to prescribe age limits for appointment to Government service except in respect of certain services, whose rules of recruitment are made under section 96B of the Government of India Act. So far as Government servants under the administrative control of the Governor General in Council or serving in a Chief Commissioner's Province are concerned, the general rule is that a person whose age exceeds 25 years may not ordinarily be admitted into the service of the State in superior pensionable service without the sanction of the head of a department. The ordinary limit is extended to thirty years in the case of a person appointed to a Judicial office.

This answer covers all four parts of the Honourable Member's questions.

INTERFERENCE IN GENERAL POSTAL WORK IN SIND OF THE ASSISTANT DIRECTOR, RAILWAY MAIL SERVICE.

669. ***Mr. Lalchand Navalrai:** (*a*) Will Government be pleased to state if it is a fact that the Director of Posts and Telegraphs for Sind and Baluchistan has at present two Assistant Directors, one on the Postal side, and the other on the Railway Mail Service side?

(*b*) What special allowance do they get?

(*c*) Does the Assistant Director, Railway Mail Service, do or interfere in, work other than that belonging to the Railway Mail Service Department? If so, why?

(*d*) Are Government aware that the interference of the Assistant Director, Railway Mail Service, in the work of the Postal side is causing dissatisfaction amongst the subordinates on the Postal and Telegraph side and the public?

Mr. H. A. Sams: (*a*) No. There is no Assistant Director on the Railway Mail Service side.

(*b*) The Assistant Director on the Postal side gets a special pay of Rs. 100 per mensem.

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

DUTIES OF THE ASSISTANT DIRECTOR, RAILWAY MAIL SERVICE, SIND.

670. ***Mr. Lalchand Navalrai:** (*a*) Is it a fact that the main post of the Assistant Director on the Railway Mail Service side is that of the Superintendent, Railway Mail Service, Sind?

(*b*) If so, is it a fact that his own work of Railway Mail Service Superintendent is subject to revision in his office?

(*c*) Do Government propose to relieve the Railway Mail Service Superintendent of the additional duties of the Assistant Director?

(*d*) Will Government be pleased to state if it was intended to appoint a second Assistant to the Director, Posts and Telegraphs in Sind, to work on the Railway Mail Service side when the Railway Mail Service work was being transferred to the Director?

(*e*) If the answer be in the negative, will Government be pleased to state why any necessity has arisen now and what is the additional expenditure on that account?

Mr. H. A. Sams: (*a*) The fact is not as stated. The Superintendent, Railway Mail Service, K Division, whose headquarters are at Karachi, helps the Director of Posts and Telegraphs, Sind and Baluchistan, in matters concerning the Railway Mail Service.

(*b*) The question is not very clear, but it is a fact that the Superintendent, Railway Mail Service, K Division supervises the work of his Division and of his office.

(*c*) I see no reason for making any change in the present duties of the Superintendent.

(*d*) No.

(*e*) So far as I am aware there is no proposal to this effect and accordingly no additional expenditure is contemplated.

HEADQUARTERS OF THE SUPERINTENDENT, RAILWAY MAIL SERVICE, SIND.

671. ***Mr. Lalchand Navalrai:** (*a*) Are Government aware of the rules in the Posts and Telegraphs Manual, Volumes V and VIII providing that the headquarters of the Superintendents of Posts and Telegraphs have to be located at a central place in the Division?

(*b*) Are the headquarters of the Superintendent, Railway Mail Service in Sind Division, located not in the central place at Sukkur but at the extreme end at Karachi? If so, why?

(*c*) Is it a fact that the office of the Superintendent, Post Offices, Lower Sind and Persian Gulf Division, had to be removed from the office of the Director of Post Offices to make room for the Superintendent of Railway Mail Service?

(*d*) Is it a fact that the building of the office of the Superintendent of Post Offices, Upper Sind Division at Sukkur, is large enough to accommodate the office of the Superintendent, Railway Mail Service also?

(*e*) Do Government propose to remove the office of the Superintendent, Railway Mail Service to Sukkur? If not, why not?

Mr. H. A. Sams: (*a*) Yes, but the term "central" has an administrative as well as a geographical significance.

(*b*) Yes, because this arrangement is more economical and convenient.

(*c*) and (*d*). I have no information, but inquiries will be made and the result will be communicated to the Honourable Member.

(*e*) No, in this connection the Honourable Member's attention is invited to the reply given by me to a supplementary question arising from the answer to question No. 1164 in this House by Mr. Jamnadas M. Mehta on the 20th March, 1929.

CONSTRUCTION OF THE SIND RIGHT BANK FEEDER RAILWAY.

672. ***Mr. Lalchand Navalrai:** (*a*) Will Government be pleased to state if it is a fact that R. B. Kulkarni, B.A., was appointed by Government to investigate in detail the railway projects which had been recommended by the Government of Bombay?

(*b*) Is it a fact that the special officer recommended the Sind Right Bank Feeder Railway from Sita Road to Jacobabad?

(*c*) Is it a fact that, on the recommendation of Sind Communications Board, stating that the line would be remunerative, it was proposed to construct the loop-line, Larkana Dost Ali-Jacobabad Railway, immediately?

(*d*) Are Government aware that the narrow gauge railway now working between Larkana and Dadapur was intended to be constructed right up to Jacobabad?

(*e*) When was the above line between Larkana and Dadapur completed, and why is it not yet being extended upto Jacobabad?

(*f*) Is it the opinion of experts that this narrow gauge railway between Larkana and Dadapur is not quite strong for service and may give way at any time, specially at the bridge over the Norang Canal?

(*g*) Do Government propose to give effect to the aforesaid recommendation of the Sind Communications Board and construct the loop line between Larkana and Jacobabad immediately?

(*h*) If the answer be in the negative, will Government be pleased to state how much would this portion of the Right Bank Feeder Railway cost?

(*i*) Will Government be pleased to state when this portion of the line is expected to be taken in hand?

Mr. A. A. L. Parsons: (*a*) Government are aware that Rai Bahadur Kulkarni, B.A., was appointed by the Government of Bombay to investigate projects on their behalf in the Bombay Presidency.

(*b*) and (*c*). Government have no information.

(*d*) Yes.

(*e*) From Larkana-Shadadkote on the 16th February, 1922, and from Shadadkote-Dadapur on the 1st November, 1923. The line was not extended up to Jacobabad as the funds at the disposal of the Company were not sufficient for this purpose at that time. Sanction to the curtailment of the original project was given on the understanding that the Company would be required to complete the line to Jacobabad if subsequently called upon to do so.

(*f*) Government are not aware of this. The line is inspected annually by the Senior Government Inspector of Railways and in his latest report he makes no mention regarding any weakness in the line.

(*g*) I would refer the Honourable Member to my reply to parts (*b*) and (*c*) of this question.

(*h*) No separate estimate of the loop between Larkana and Jacobabad has been prepared.

(*i*) I regret that it is not possible to say at present when funds are likely to be available for construction of the Sind Right Bank Feeder Railway.

NON-ATTENDANCE AT RALLY OF INDIAN GIRL GUIDES.

673. ***Pandit Thakur Das Bhargava:** (*a*) Is it a fact that there was a rally of Delhi girl guides on the 27th February, 1930, to collect funds for the Girl Guides' Headquarters in London?

(*b*) Is it a fact that many girl guides did not attend the rally where the Union Jack was to be saluted and patriotic British songs were to be sung by Indian girls?

(*c*) If the reply to part (*b*) is in the affirmative, will Government be pleased to state how many girl guides did not attend the rally?

(*d*) Is it a fact that the names of such girl guides as did not attend were scored out of the rolls of the girl guides' register?

Sir Frank Noyce: (*a*) The rally was the annual rally held every year by the girl guides. The occasion was utilised to collect funds for the purpose stated.

(*b*) and (*c*). No. The approximate total of girl guides attending the rally was 250. Nine guides only absented themselves.

(*d*) Yes.

ALLEGED DISCRIMINATORY TREATMENT OF NEWS AGENCIES.

674. ***Pandit Thakur Das Bhargava:** (*a*) Has the attention of the Government been called to the statement of Mr. S. Sadanand, Managing Editor, Free Press of India, appearing in the issue of the *Hindustan Times* of Sunday, March 9th, on page 4 of the paper?

(*b*) Are the facts stated therein substantially correct in respect of late delivery of telegrams?

(*c*) Have Government approved of the policy of discrimination of this character between one news agency and another news agency?

(*d*) How much money has been provided in the Budget for payment to news agencies, and how much out of that sum is proposed to be paid to Reuters, Associated Press and the Free Press Agencies?

(*e*) What was the amount budgeted last year, and how much was paid to Reuters and the Associated Press out of this amount last year?

The Honourable Sir Bhupendra Nath Mitra: (*a*) Yes.

(*b*) No.

(*c*) No; definite orders exist to the contrary.

(*d*) The amount provided for in the Budget for 1930-31 under Demand No. 75, Miscellaneous, is Rs. 71,400 of which Rs. 55,200 is payable to Reuter's Agency and the balance to the Associated Press. No payment is made to the Free Press Agency.

(*e*) The amount voted by the Legislative Assembly for 1929-30 is Rs. 75,200. Of this a sum of Rs. 47,000 was paid to Reuter's Agency up to the end of January, 1930; and Rs. 14,500 is payable to the Associated Press.

HOURS OF DUTY OF ASSISTANT CONTROLLERS ON THE NORTH-WESTERN RAILWAY.

675. ***Mr. Lalchand Navalrai:** (*a*) Is it a fact that the Assistant Controllers, North Western Railway line, have to perform eight hours' duty daily, week in and out, or fifty-six hours' duty in the week?

(*b*) Is it a fact that, during these eight hours, the Assistant Controllers do their duty continuously without any relaxation?

(*c*) Is it a fact that other Railways—the East Indian Railway, the Great Indian Peninsula Railway, the Bombay, Baroda and Central India Railway, the Burma Railways and the Bengal Nagpur Railway—have already reduced the hours of work for Control offices to six hours daily?

(*d*) Do Government propose to give relief to the Controllers by curtailing their duty hours and giving them some rest during their duty hours? If not, will Government give full reasons for not coming to their relief?

Mr. A. A. L. Parsons: I have called for information and will communicate with the Honourable Member when it is received.

TERMINATION OF CONTRACTS OF CERTAIN COMPANY-MANAGED RAILWAYS.

676. ***Sir Purshotamdas Thakurdas:** (i) Will Government be pleased to state the latest dates on which notices have to be given by the Government of India to (*a*) the Assam Bengal Railway Company, and (*b*) the Bengal and North Western Railway Company, to enable Government to acquire these Railways as early as possible?

(ii) Will Government be pleased to state what steps they propose to take to ascertain the wishes of the Assembly in connection with the advisability of acquiring these Railways?

(iii) Has the attention of Government been drawn to condition No. 9 of the convention approved by the Legislative Assembly on 20th September, 1924, between the Assembly and the Government of India, regarding the separation of the Railway Budget from the General Budget?

(iv) Will Government be pleased to state when they expect that the committee appointed by the Legislative Assembly to report on the question of the revision of that convention is likely to submit their report to the Assembly?

(v) Will Government be pleased to state if, in the meantime, they are prepared to accept the construction of condition 9 of the said convention as including the question of acquiring Company-managed Railways, agreements with which may fall due until the said convention of 20th September, 1924, is revised?

The Honourable Sir George Rainy: (i). (*a*) 31st December, 1930.

(*b*) 31st December, 1931.

(ii) It will certainly be the desire of Government that, before any decision is reached not to exercise the option to purchase in the case of either Railway, an opportunity should be given for a discussion on the subject in the Assembly.

(iii) Yes.

(iv) I regret that I cannot yet say when the Committee appointed to review the Convention will be able to submit its report.

(v) Government cannot accept the construction which it is proposed to put upon clause (9) of the Convention. But it is inevitable that the

Convention should come under revision in connection with the constitutional changes, and no question can arise of the continuance of the existing Convention for any long period.

PRIVATE TUITION UNDERTAKEN BY THE HEADMASTER, GOVERNMENT HIGH SCHOOL, AJMER, AND THE PRINCIPAL, GOVERNMENT COLLEGE, AJMER.

677. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) Is it a fact that the Headmaster of the Government High School, Ajmer, engages in private tuition? If so, will Government please place on the table of the House a list of the private tuitions undertaken by the said Headmaster, stating in the case of each private tuition: (i) the remuneration for it, (ii) the amount of time spent in it, (iii) whether the pupil privately taught lives with the Headmaster in the Government bungalow for the Headmaster or not, and (iv) whether the pupil privately taught is a pupil of the school under the Headmaster or not?

(*b*) Is it a fact that the Principal of the Government College, Ajmer (who is not only the principal of a university degree college but also the principal of what is called the "Government Intermediate College, Ajmer," at page 723 of the United Provinces Gazette, Part IV, dated June 22, 1929), is engaged in private tuition? If so, will Government please place on the table of the House a list of the private tuitions undertaken by the said Principal, giving against each private tuition (i) the remuneration for it, (ii) the amount of time spent in it, (iii) whether the student privately taught lives with the principal in the Government bungalow for the principal or not, and (iv) whether the student privately taught is a student of the Government College, Ajmer, or not?

(*c*) If the replies to the question in the first part of part (*a*) and to the question in the first part of part (*b*) are in the affirmative, will Government please state if it is a fact that, under Chapter IV, paragraph 152, note (ii) of the Educational Code in force in Ajmer-Merwara, Headmasters of Government Schools, Principals of Government Intermediate Colleges and Superintendents of Government Hostels are not allowed to undertake private tuition?

(*d*) If the reply to part (*c*) is in the affirmative, will Government please state whether the Headmaster, Government High School, Ajmer, and the Principal, Government College, Ajmer, are engaged in private tuition with the permission of the Ajmer-Merwara administration? If so, why was permission given and under what rule of the Educational Code rule?

Sir Frank Noyce: (*a*) and (*b*). Yes. Statements giving the information asked for, so far as is immediately available, are placed on the table.

(*c*) The Educational Code of the United Provinces is generally followed in Ajmer-Merwara, but it has been applied in its entirety for purposes of grants-in-aid and stipends only; the Local Administration has discretion in other matters though the rules of the United Provinces Code are generally observed.

(*d*) The answer to the first part of the question is in the affirmative. The answer to the second part is that the permission was given under the discretion which is vested in the Local Administration.

Statement showing private tuition undertaken by the Head Master, Government High School, Ajmer.

Year.	Name of pupil.	Monthly remuneration.	Where the lessons are to be given.	School and class in which the pupil reads.
		Rs.		
1914	Son of Diwan Bahadur M. Damodar Lal.	75	At the Head Master's bungalow for one hour daily except on Saturdays and Sundays.	Student of the 1st Year Class in the High School under the Head Master.
1924	Son of Maharaj Nahar Singh of Ameleta and his cousin: aged 14 and 13 years.	200	To help them with their English; boys to live only with Head Master, who supervises the work of the Tutor of the boys.	Students of School classes under the Head Master.
1929	Two sons of the Thakur Sahib of Mitri.	250	The boys to live with the Head Master, who does no teaching work but is only responsible for the guidance and general supervision of the work of their tutor.	Students of the school under the Head Master.

Statement showing private tuition undertaken by the Principal, Government College, Ajmer.

Year.	Name of pupil.	Monthly remuneration.	Where the lessons are to be given.	Class in which the pupil reads.
		Rs.		
1928	Kanhaya Lal Mehta, s/o Devi Lal Mehta of Udaipur.	150	Private tuition for 6 hours a week.	Student of the 1st Year Intermediate Class of the College.

DATE OF APPOINTMENT OF CERTAIN ANGLO-VERNACULAR TEACHERS IN AJMER MERWARA.

678. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) Will Government please place on the table of the House a statement showing all the appointments of Anglo-vernacular teachers, temporary, permanent, officiating, and substantive, made in the Government Anglo-vernacular schools in Ajmer-Merwara from April, 1927, to December 1929, giving for each appointment (i) the date on which the officer appointed began to work in the appointment, (ii) the date on which the officer competent to make the appointment issued the appointment order, (iii) the date on which the first disbursement of the pay of the appointment was made to the officer appointed?

(*b*) Is it a fact that in the case of a number of appointments mentioned in part (*a*), the appointment orders were issued and the first disbursements

of pay were made several months after the officers appointed began to work in those appointments? If so, who is responsible for this state of things and what action do Government propose to take to put a stop to it?

Sir Frank Noyce: With your permission, Sir, I shall deal with questions Nos. 678—681 and 686—688 together. The information asked for is being collected and will be supplied to the Honourable Member in due course.

GRANT FOR NEW POSTS AND REVISION OF EXISTING POSTS IN SCHOOLS IN AJMER-MERWARA.

†679. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) Will Government please state (i) the total amount of money granted for the creation of new posts and the revision of existing posts in the Government High School, Ajmer, the Government Normal School, Ajmer, and the Moinia Islamia High School, Ajmer, in 1927-28 and 1928-29, (ii) the total amount actually spent in the creation of new posts and the revision of existing posts in the said institutions in the said years?

(*b*) Is it a fact that a considerable part of the amount referred to in part (*a*) (i) was not utilised for the creation of new posts and the revision of existing posts for which it was granted? If so, will Government please state the circumstances justifying the appropriation of money for the purposes for which they did not actually utilise it?

APPOINTMENT OF TEACHERS IN AJMER-MERWARA.

†680. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) Will Government please put on the table of the House a statement regarding the posts in the Government High School, Ajmer, the Moinia High School, Ajmer, and the Government Normal School, Ajmer, advertised in the newspapers from April, 1927, to December, 1929, giving in the case of each post advertised (i) the grade of the post, (ii) the minimum qualifications required, (iii) the amount of money spent in advertising, (iv) the number of trained Muslim candidates applying for the post; (v) the number of trained non-Muslim candidates applying for the post, (vi) the qualifications of the person appointed to the post, (vii) the actual pay at which the appointment was made?

(*b*) Is it a fact that in the case of several of the posts mentioned in part (*a*), untrained persons were appointed though there were trained candidates for them? If so, why?

(*c*) Is it a fact that in case of several of the posts mentioned in part (*a*) appointments were made on salaries less than the minimum salaries of the posts? If so, why?

(*d*) Is it a fact that in case of some of the posts mentioned in part (*a*) appointments were not made at all? If so, why?

QUALIFICATIONS OF TEACHERS IN THE GOVERNMENT COLLEGE, AJMER.

†681. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) Is it a fact that with one exception, the teachers of the Intermediate Classes of the Government College, Ajmer, are untrained teachers?

†For answer to this question, *see* answer to question No. 678.

(*b*) Is it a fact that paragraph 150 (*a*), Chapter IV, of the Educational Code in force in Ajmer-Merwara lays down that in Intermediate Colleges uncertificated teachers (only M.As. and M.Scs.) with special qualifications may be appointed permanently if trained teachers with suitable qualifications are not available?

(*c*) Is it a fact that a number of trained M. As. is already in Government employment in the subordinate educational service, whereas a number of untrained M.As. is employed in the Provincial Educational Service in the Government College, Ajmer?

(*d*) Do Government propose to appoint trained M.As. and M.Scs. to teach the Intermediate Classes of the Government College, Ajmer, in accordance with paragraph 150 (*a*) of the Educational Code? If so, when? If not, why not?

CLASSES IN THE GOVERNMENT COLLEGE, AJMER.

682. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) Is it a fact that the Government College, Ajmer, contains the university degree classes as well as the Intermediate classes?

(*b*) Is it a fact that the degree classes of the said college are affiliated with the Agra University, whereas the Intermediate classes are affiliated with the Board of High School and Intermediate Education of Ajmer-Merwara, Rajputana, Central India, and Gwalior?

(*c*) Is it a fact that the Intermediate classes of the said college are governed by Chapter IV of the United Provinces Educational Code, whereas Chapter III, Section A, of the said Code is applicable to the degree classes?

(*d*) Is it a fact that, unlike the degree classes, the Educational Code prescribes that the teachers of the Intermediate classes should be trained teachers?

(*e*) Do Government propose to separate the Intermediate section of the Government College, Ajmer, from the university degree section, and to attach the Intermediate section to the Government High School, Ajmer? If so, when? If not, why not?

Sir Frank Noyce: (*a*) and (*b*). Yes.

(*c*) and (*d*). Yes, subject to the discretion of the Local Administration.

(*e*) The Government of India have not considered the matter.

HONORARY MAGISTRATES IN AJMER-MERWARA.

683. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) Is it a fact that several paid Government officers have been appointed Honorary Magistrates in Ajmer-Merwara? If so, what is their number?

(*b*) How many hours a week has each of the officers referred to in (*a*) to work as an Honorary Magistrate? Why have paid officers been appointed as Honorary Magistrates?

Mr. E. B. Howell: The information required is being collected and will be supplied to the Honourable Member in due course.

ELECTION OF GOVERNMENT OFFICERS TO MUNICIPAL COMMITTEES.

†684. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) How many paid Government officers in Ajmer-Merwara were members of the Municipal Committees as elected non-officials during the last five years?

(*b*) Do Government propose to stop this practice? If not, why not?

APPOINTMENT OF MR. TARLEKAR AS HEADMASTER OF THE MOINIA ISLAMIA HIGH SCHOOL, AJMER.

685. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) Are Government aware that important Muslim press organs, like the *Ittafaq*, Ajmer, the *Haqiqat*, Lucknow, and the *Inqilab*, Lahore, protested against Mr. Tarlekar's appointment as Headmaster of Moinia Islamia High School, Ajmer?

(*b*) Is it a fact that in connection with the proposed long leave of the Headmaster, Government High School, Ajmer, the Superintendent of Education, Delhi and Ajmer-Merwara, has proposed the appointment of Mr. Tarlekar again to the Headmastership of the Moinia Islamia High School, Ajmer? If so, why?

Sir Frank Noyce: (*a*) No.

(*b*) Proposals regarding personnel are confidential.

EXPENDITURE, FEES, ETC., OF THE MOINIA ISLAMIA HIGH SCHOOL, AJMER.

‡686. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) Will Government please state (i) the total expenditure of a recurring nature incurred in maintaining the Moinia Islamia High School, Ajmer, in the financial year 1928-29, (ii) the total amount of fees received by Government from the pupils of the said school in the said year, (iii) the total amount of contributions of a recurring nature received by Government for the said school from the funds of the Khwaja Sahib's Durgah in the said year, (iv) the expenditure of a recurring nature incurred by Government on the said school after deducting amounts of revenues mentioned in (ii) and (iii)?

(*b*) Is it a fact that more than 75 per cent. of the Muslim Anglo-Vernacular School boys of Ajmer-Merwara are taught in the Moinia Islamia High School, Ajmer?

(*c*) Are Government aware that a resolution was passed in the All-India Muslim Educational Conference held at Ajmer in December, 1928, to the effect that the Moinia Islamia High School, Ajmer, should be under a Muslim head of the institution?

(*d*) Do Government propose to appoint a Muslim Headmaster of the Moinia Islamia High School, Ajmer, when the present Headmaster vacates the Headmastership of the said school permanently or temporarily? If not, why not?

ACADEMICAL QUALIFICATIONS OF CERTAIN ASSISTANT MASTERS IN AJMER-MERWARA.

‡687. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) With reference to the list of trained graduate assistant masters in the employ of the Ajmer-Merwara

†For answer to this question, *see* answer to question No. 683.
‡For answer to this question, *see* answer to question No. 678.

Educational Department in 1926, with their names, qualifications, and grades, placed by Government on the table of the House in reply to starred question No. 279 (*d*) in the Legislative Assembly on the 10th September, 1929, will Government please state if it is a fact that Mr. Abdul Rashid Khan was a B.A., *B.T.*, and not a B.A., *L.T.*, as given in the statement?

(*b*) If the reply to part (*a*) is in the affirmative, is it a fact that B.T. was a university *degree*, and L.T. was a university *diploma*? If so, will Government please state why the qualifications of the said teacher were not shown to be as they were?

(*c*) Is it a fact that at the time for which the list referred to in (*a*) was asked for, Mr. Mohammad Ishaque Qureshi was not a *M.A.*, L.T., as stated in the list under reference but a *B.A.*, L.T.? If it is not a fact, will Government please state in which month and year the said Mr. Mohammad Ishaque Qureshi sat for the M.A. examination and in which month and year he was declared successful in the said examination?

(*d*) Is it a fact that Mr. Muzaffar Hussain was a B.A., *B.T.*, and not a B.A., *C.T.*, as stated in the list referred to in (*a*), at the time for which the said list was asked for?

(*e*) If the answer to (*d*) is in the affirmative, is it a fact that C.T. was a university *certificate* lower than B.T. which was a university *degree*? If so, why were the qualifications of the said teacher shown to be lower than they actually were?

(*f*) Is it a fact that Mr. Gauri Datt Durgapal had, at the time for which the list was asked for, *no lien* on any Government post?

(*g*) Are Government aware that the name of Mr. S. C. Chatterjee, a permanent incumbent in the grade of Rs. 120—5—145 in the employ of the Ajmer-Merwara Educational Department at the time for which the list was asked for, was *not* mentioned in the list referred to in (*a*)?

(*h*) Is it a fact that the grade of Rs. 120—5—145 mentioned against Mr. Nand Kishore Joshi in the said list *was not his grade*, at the time for which the list was asked for, but the grade of the teacher in whose place Mr. Nand Kishore Joshi was officiating?

(*i*) If what is stated in parts (*a*) to (*h*) above are facts, will Government please state why the list under reference was not freed from errors and defects before it was put on the table of the House?

EXAMINATION RESULTS OF CERTAIN SCHOOLS IN AJMER.

†688. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) Are Government aware that the figures for the results of the Moinia Islamia High School, Ajmer, for 1927-1928 (*sent up 12, passed 9*), given in the "Comparative statement of results for 1927-28 and 1928-29 in the Government Educational Institutions in Ajmer-Merwara", put on the table of the House by Government in reply to starred question No. 275 in the Legislative Assembly on the 10th September, 1929, do not agree with the Government affirmation, in the Legislative Assembly on the same date in reply to starred question No. 280 (*c*), in which the figures for the result of the said School for the said year are given to be *8 out of 13*? If so, will Government please state why the said two Government replies on the same date differ with each other in regard to the result of the same examination of the same school for the same year?

†For answer to this question, *see* answer to question No. 678.

(*b*) Is it a fact that in the "Comparative statement of results" referred to in part (*a*), figures given for the C. T. Examination result of the Normal School, Ajmer, for 1927-28, *exclude ex-students* appearing as compartmental candidates, whereas the figures for the result of the same examination of the same school for 1928-29 *include ex-students* appearing as compartmental candidates? If so, why was not the same principle adopted for the statement of the result of 1928-29 as for 1927-28?

SUPPLY OF INFORMATION ASKED FOR IN QUESTIONS *re* EDUCATION IN AJMER-MERWARA.

689. ***Mr. Abdul Latif Sahib Farookhi:** (*a*) Are Government aware that Government's reply to majority of questions relating to Education in Ajmer-Merwara in the Legislative Assembly in the Delhi Session of 1929 and the Simla Session of 1929 was to the effect that the information asked for was being collected?

(*b*) Will Government please state why the collection of the information asked for in questions referred to in (*a*) was generally delayed?

(*c*) Do Government propose to make arrangements that the information asked for in questions relating to Education in Ajmer-Merwara may generally be communicated to the House on the days fixed for Government replies?

Sir Frank Noyce: (*a*) Yes.

(*b*) The required information is not usually available at headquarters and has therefore to be obtained from the local authorities who are often not in a position to furnish the detailed information asked for at short notice.

(*c*) Every effort is being made in this direction.

UNSTARRED QUESTIONS AND ANSWERS.

STAFF OF THE DELHI MUSEUM OF ARCHÆOLOGY.

261. **Mr. Mukhtar Singh:** (*a*) Is it a fact that, in the Delhi Museum of Archæology, the entire staff including the Gallery Assistant and his clerk are Muhammadans mostly from Moradabad, the native place of Khan Bahadur Maulvi Zafar Hasan?

(*b*) Will the Government kindly state why no Hindu is employed there?

Sir Frank Noyce: (*a*) The entire staff is Muhammadan, but only the Gallery Assistant and one peon come from Moradabad.

(*b*) One Hindu was appointed but he resigned his appointment.

STAFF OF THE DELHI MUSEUM OF ARCHÆOLOGY.

262. **Mr. Mukhtar Singh:** Is it a fact that the Gallery Assistant of the Archæological Museum, Delhi, is a brother-in-law of Khan Bahadur Maulvi Zafar Hasan? If so, what are the reasons for having two close relatives together in one office and for a number of years, *i.e.*, from 1924 to March 1929?

Sir Frank Noyce: Yes. The nature of their work and their respective qualifications for it have sometimes required their employment in the same circle. They are, however, not employed in the same office, and for a considerable period they were employed in different circles.

EXHIBITS IN THE DELHI MUSEUM OF ARCHÆOLOGY.

263. **Mr. Mukhtar Singh:** Will Government be pleased to state whether most of the exhibits in the Delhi Museum of Archæology have been purchased at the recommendation of Khan Bahadur Maulvi Zafar Hasan and his brother-in-law, Maulvi Ashfaq Ali? Have the Government devised any means of checking and finding out that the articles recommended for purchase are genuine? Is there any check to find out periodically that no manuscripts, paintings, etc., have been replaced or are short?

Sir Frank Noyce: A considerable number of antiquities have necessarily been purchased on the recommendation of the Superintendent, but no such purchases are made without the approval of the Director General of Archæology. The question of devising checks on the genuineness of the articles purchased and against loss of the contents of the Museum is under consideration.

RECRUITMENT OF STAFF FOR THE FRONTIER CIRCLE, ARCHÆOLOGICAL SURVEY.

264. **Mr. Mukhtar Singh:** Will Government please state whether Khan Bahadur Maulvi Zafar Hasan, on his transfer from the Northern to the Frontier Circle, Archæological Survey, had to recruit a large staff in connection with the reorganization of the latter Circle?

If so, will Government please state the number of persons the Khan Bahadur has recruited since April, 1928, from each of the Hindu, Sikh and Muhammadan communities on permanent pensionable and non-pensionable posts, as well as those who receive their pay out of the conservation grant but are nevertheless, to all practical purposes, equivalent to persons holding posts of a quasi-permanent nature such as mistris, bankatis and chaukidars?

How far is the recruitment carried out by the Khan Bahadur in consonance with the orders passed by the Government of India during the last four years?

In the event the Government orders on the subject having been ignored, what measures do the Government propose to take against the Khan Bahadur for committing a breach of the rules and to ensure non-recurrence of such irregularities in future?

Sir Frank Noyce: The information asked for by the Honourable Member is being collected and will be communicated to him in due course.

SALE OF WOOD TO HIS PEON BY KHAN BAHADUR MAULVI ZAFAR HASAN.

265. **Mr. Mukhtar Singh:** Will Government please state whether:

(*a*) In 1928 Khan Bahadur Maulvi Zafar Hasan sold wood in the Lahore Fort to his peon Ahmad Husain?

(*b*) Is it also a fact that on 8th February, 1928, 33 rafters and 252 square feet of planks were sold to his peon for a trifling sum at Sambhal by the said Khan Bahadur?

(*c*) Was any notice for the sale of wood and rafters referred to above issued in time and widely circulated?

(*d*) Will the Government kindly state whether the practice of selling things to the members of the office is not opposed to Government orders?

Sir Frank Noyce: Information is being obtained and will be communicated to the Honourable Member in due course.

CONTRACT FOR THE PURCHASE OF STONES FOR AKBAR'S TOMB AT SIKANDRA.

266. **Mr. Mukhtar Singh:** Is it a fact that in 1926-27 a contract bond relating to the purchase of stones for Akbar's tomb at Sikandra was tampered with by means of erasures and overwriting of dates, etc. Have Government examined the document? If so, with what results? If not, what action do they now propose to take in the matter? Is it also a fact that, in 1926-27, Khan Bahadur Maulvi Zafar Hasan retrospectively enhanced rates over those which were tendered by a contractor and in respect of which he had been paid already? If so, what were the reasons for so doing?

Sir Frank Noyce: Government have no information but will make inquiries.

APPOINTMENT OF MEMBERS OF MINORITY COMMUNITIES IN THE ARCHÆOLOGICAL DEPARTMENT.

267. **Mr. Mukhtar Singh:** Is it a fact that the Archæological Chemist, the Assistant Archæological Chemist and their Head Clerks are all Muhammadans? If so, will Government kindly state why no members from the Hindu, Sikh or Christian community were recruited to maintain the proportion between members of the majority and minority communities in the public services?

Sir Frank Noyce: The Archæological Chemist and the only clerk employed in his office were appointed before orders for avoiding the preponderance of any community in the public service were issued. The Assistant Archæological Chemist was recruited through the Public Service Commission not because he was a Muslim but because he was best qualified for the post. I may add for the information of the Honourable Member that two Hindu laboratory assistants are employed in the office of Archæological Chemist.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR ROADS.

Mr. President: I have to inform the Assembly that the following six Members have been elected to the Standing Committee for Roads, namely:

1. Mr. B. Das.
2. Mr. Muhammad Ismail Khan.
3. Mr. Adit Prasad Singh.
4. Mr. S. C. Mitra.
5. Mr. Anwar-ul-Azim.
6. Khan Bahadur Haji Abdullah Haji Kasim.

THE INDIAN FINANCE BILL.

Mr. President: The House will now resume further consideration of the following motion moved by the Honourable Member, Sir George Schuster, on the 18th March, 1930:

"That the Bill further to amend the Sea Customs Act, 1878, to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, and further to amend the Indian Paper Currency Act, 1923, and the Indian Finance Act, 1926, be taken into consideration."

Mr. T. Prakasam (East Godavari and West Godavari *cum* Kistna: Non-Muhammadan Rural): Sir, I rise to oppose this Bill. It is an annual function to present this Finance Bill on the part of the Honourable Member for Finance, and it is also usual for the representatives of the people to oppose it to the best of their ability. It does not come with a good grace that this Bill should be introduced with a proposal of preferential tariff in favour of England. It does not come with any grace, the proposal for some little protection with regard to sugar when, for over ten years after the Sugar Committee Report had been published, it is not shown what steps had been taken by the Government to improve the sugar industry on the lines suggested by that Committee. And the Finance Bill stands almost self-condemned with regard to the claim on salt. It is, Sir, two or three years now since I had had the opportunity of moving for the reduction of the salt duty in the final stages of the Finance Bill from Rs. 1-4-0 to 0-10-0. By some fortune we succeeded in this House, and it was reversed in the House of Elders and finally it was certified. This demand for repeal has been going on for such a long time and the Government feel that it cannot continue to exist in this world unless this salt tax is maintained. Over seven crores of rupees are demanded on that account. If there should be a proposal to appropriate this seven crores of rupees for the free education in the country, for the education of the masses, perhaps there would have been, at least a counterbalancing factor. There is none such. Any Government in the world, however absolute it might be, however despotic it might be, considers it its duty to look to the education of its subjects, to the promotion of the industries and to the general benefit of the people. This is a Government that has been continuing in a most callous manner without caring in the least for the education of the masses or for the promotion of the industries or for any good generally of the people at large. With a top-heavy expenditure, it has not been possible for the Government to direct its attention, even in 1930, towards the education of the masses. What is the percentage of education in India according to the books of the Government? Over 6 per cent. Is it to the credit of this Government, a Government that has been in office for over 160 years, without having done anything for the promotion of the education of the masses? Was the country so illiterate, Sir, I question this of the Finance Member and also the Government here, was it in this stage during the Muhammadan period when the Moghul Kings were ruling here? What was the percentage of education in the country, in the provinces, amongst the masses then and what is the percentage today after the British Government have undertaken to rule this country? How has it gone down and what is the reason? Nobody to think of the masses. When a demand is made for self-government

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or for Dominion Status, they consider it proper to turn round and say, "The masses are not educated! It is not in the interests of the masses that we should hand over the reins into the hands of the people's representatives". That is the answer which this Government have been giving. When there was a high percentage of education in this country before the English people came, and when it has been reduced to 6 per cent., it is for them to say what became of the vernacular education in each province that was existing before they came here. Does it lie in their mouth to say that, because the masses are not educated today, the country is not fit to have self-government?

The Finance Bill again says that there is a sort of protection offered for sugar; that there is a protection offered for cotton piece-goods. What is the protection offered for sugar? After destroying an industry, to make a trifling and apologetic offer, when it suits them; is that protection? In 1920, the Sugar Committee inquired into the whole subject and published its Report. For ten years before the publication of that Report, Sir, the total quantity of sugar that was imported into India was worth about Rs. 53 crores, when, as a matter of fact, if the total area that was capable of producing sugar in India had been properly used for production, there would have been no need to waste that amount by importing foreign sugar. That will be clear on a perusal of the Report of that Sugar Committee. What was the total extent, Sir, in 1920 of the land that was fit for sugar cultivation in India? The total extent was 2,718,000 acres. This was found to be much more than the area in Cuba that was supplying sugar, and this was held by that Committee to be five times the extent under sugar in Java. With this extent at the disposal of the country, which would have been sufficient to produce sugar not only for the whole of India but also for exporting into other countries, as she had been doing in former times, what is it which the Finance Member has placed before the House and before the country to show that anything has been done since 1920 with regard to the promotion of this industry, even on the lines suggested by the Sugar Committee? This is what the Committee said in brief on page 8 of the Report. "It is our opinion that it should be perfectly practicable to produce the whole of this in India itself." "This" means sugar worth Rs. 53 crores imported at 628,000 tons annually for 10 years. That is what the Sugar Committee said. During the last ten years what has been done, and what is the protection now offered for sugar, after very nearly killing an industry? This is not the only industry that has been killed. Before my eyes, during the last forty years, industry after industry, cottage industries as well as other industries, have disappeared under the benign Government of the British. Fortunately we have got records and the reports of the Committees appointed by the Government itself to show how callous and how criminal has been the conduct of this Government towards the people of this country.

Then, Sir, the Bill says that a small increase is proposed in income-tax. When I moved an amendment for the income-tax proposed in the Finance Bill two years ago, I heard a voice at one time in this House, "Why should we plead for the rich people?" Then I replied that the rich people's money should not be wasted in this manner; the rich people's money should go in the direction of popular causes, when the Government is a most irresponsible one which does not care in the least

for the good of the people, but which is anxious only to collect as much money and spend as much as possible on the scale on which it is spending. Why should there be an increase in income-tax, Sir, when there is every scope for reducing the pay, the salaries and the unnecessary wastage of the money which this Government has been incurring year after year? Not a single attempt is ever made or is even thought of in that direction. They persist year after year, even though it was pointed out by comparative statements, how expenditure is met in a country like Japan; how the national income is spent where men of the country are employed in the services. It is not to the interests of this Government to do any of these things.

Sir, I should not detain this House on the question of salt by narrating the history of salt. It has appeared in the Press during the last few weeks ever since the leader of this country has thought fit and has considered it necessary to break the laws relating to salt. It is such an unholy tax, a tax that touches the poor, a tax which this Government have taken every means in their power to levy and regulate in such a manner that cannot be justified before the world. Salt is the one article that can be produced without any labour, without any trouble, without any expenditure by the poor people. I do not deny that any Government, whether it is this Government or a nationalist Government, should have the power to regulate the market rate of a certain commodity, even when it is produced by the poorest without incurring much expenditure. But what is it that this Government have done? What are the regulations; what is the Salt Act; what are the rules, and how is it controlled? Although I had been a lawyer for a good long time in my life, until I surrendered my practice in 1920, I have not lost touch with the law, but I did not know myself how this salt duty had been regulated and what precautions had been taken for the departmental working of it. What is it they have done, Sir? My friends do not know. I did not know myself until Mahatma Gandhi declared that the salt laws must be broken at any cost. I did not know myself, and when he started it,—notwithstanding the differences I have had either with Mahatma Gandhi or with the Congress on certain matters,—I wanted to know exactly what the real law about the salt duty was and how it could be broken. It is the duty of every patriotic Indian to break the law if it is really an unholy and oppressive law. I hold it, Sir, relying upon the authority of some of the greatest jurists and constitutional lawyers of Great Britain, who refused to administer bad laws when they were called upon to administer them, that it is the duty of every patriotic citizen to ask the Government to revoke such a bad law. If they do not do it, then I consider it will be the duty of every one to break such an oppressive law. With that object in view, I went into the matter to see as to how Mahatma Gandhi was going to break the salt law, how it was possible for us to acquire the salt pans and salt fields by purchasing them, if necessary, for manufacturing salt there and to refuse to pay up the salt duty to the Government. Because it is so simple to manufacture salt, because every poor man can make salt out of the earth by using sea water or even otherwise, the Government took care to frame its regulations in such a manner that it may not be possible for poor men to think of diverting the salt water into their fields for making salt out of it. Look at the huge Department of Salt, look at the whole administration of that department. I had been to

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certain salt depots to see the position. I found that even private owners, who hold a freehold interest in the soil itself, are brought within the catchment area which is put under the custody of these Government officials, I mean the salt police. The whole area is fenced, the fields that are cultivated by the Government on the monopoly system, as well as those that are owned by private individuals, are brought together within one area; the whole of it is fenced, the gates are guarded, and there is a treasury attached to it. Inside the enclosure, after the salt is manufactured, even the private owner who manufactures salt after acquiring the necessary license cannot take it out of his area even after paying the duty. Government have made it a rule that there should be some platforms established within the area for the purpose of storing the salt that is manufactured. The salt manufactured should be removed by these private owners to those platforms which are also again fenced and guarded by the police. These unfortunate people who own the freehold rights of the soil, who hold an inalienable right to manufacture salt after paying the duty,—whether it is heavy or not I will not care to discuss the question now,—are compelled to take it to those platforms which have been specially built for storing the salt. If these private owners want to sell their salt to some one, the purchaser has to go to the platforms, pay the money into the treasury, and the salt must be measured out on the platform which, as I said, is guarded by the police. Now, I ask, is that the way in which the laws should be administered in this country? Is it not clear to one's mind why these precautions are taken? These precautions are taken because it is so easy to manufacture salt, and poor men can live on it without paying for it. Sir, the Government's policy is one of terrorism. They have a department for the administration of salt, and that department is such that it terrorises the people and informs them that they would run serious risks if any attempt were made by them to manufacture salt in any other place. That is the position, Sir, with regard to salt. The reason is apparent, and in our country, as Mahatma Gandhi has said repeatedly, one is still free to breathe the air; in our land this Government have still to levy a tax for breathing the air as well in future. That is the nature of the salt tax, Sir. I will not take the House into the previous history of this question. I say, Sir, that it is most criminal that this Government should persist in levying this salt tax, and in certifying it even when it was voted against by this House. These are all causes sufficient to provoke people to resist the keeping up of this tax. Today over seven crores of rupees the Finance Member wants to levy on salt.

Then coming to the question of cotton piece-goods and Imperial Preference, Sir, what do we find? I was carefully reading through the speech of the Finance Member on the Budget. It is very interesting to find that the Secretary of State and the Government in England should be anxious to give freedom to the Indian Legislature and the Government of India for levying this protective duty, giving them fiscal autonomy. This is the first time, Sir, that this convention is sought to be established by the Government in England, but the Government of India say, "Oh, it is very good that the Home Government has considered it proper to concede fiscal autonomy to India, but we have to exercise our own judgment here". Pandit Malaviya was good enough to elicit an answer

from the Honourable the Commerce Member about the original proposals from this Government which are at variance with the present. To India Government will give protection only under certain conditions. The speech of the Finance Member contains a threat to the effect that, only when that Imperial Preference is recognised, the protective duty will follow. That is what I gathered from the speech of the Finance Member. If it is a right of fiscal autonomy conceded to the Government and to the House here, is it proper, I ask, that they should enter into such a bargain now? And what is the cause for this bargaining? They want a consideration for creating a proper atmosphere in England to consider how far and to what extent favours could be bestowed upon these wretched people in India with regard to constitutional advance in the next one or two years. Now, is that the way in which an Imperial Preference should be bargained for? Is that the consideration for which you are going to give anything by way of a constitutional advance to India? It should not be on such lines.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): On a point of order, Sir. Are we discussing the Tariff Bill or the Finance Bill?

Mr. President: We are of course discussing the Finance Bill. . . . .

Mr. M. A. Jinnah: But, Sir, the Tariff Bill is no part of the Finance Bill.

Mr. President: But the Honourable Member knows that the budget speech of the Honourable the Finance Member makes extensive references to the Tariff Bill.

Mr. M. A. Jinnah: We are discussing the Bill now, and not the speech of the Finance Member.

Mr. President: The Honourable Member knows that, on the second reading of the Finance Bill, the whole of the administration of the Government of India can be reviewed.

Mr. M. A. Jinnah: When we have got this specific measure before the House, is it not irrelevant to discuss that on this Bill, Sir?

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): May I further point out that the Honourable the Finance Member himself stated that the revenue duty which was proposed to be levied on cotton piece-goods in the Finance Bill itself was the framework of the scheme of protection.

Mr. President: I do not think we can separate the two questions.

Mr. T. Prakasam: I am surprised that the Honourable Mr. Jinnah should have found so much difficulty to understand the bearing of the tariff provisions upon the Finance Bill. The very basis of the Finance Bill is to a very large extent the Tariff Bill. It may be that the Tariff Bill is considered separately. So also several other Bills are considered separately, but you are stating in this Bill the whole position and consolidating the whole position.

Now, Sir, with regard to the cotton piece-goods, I should not like to take the House to the East India Company. Suffice it to say that the most reprehensible methods had been resorted to to suppress the hand

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spinning and hand weaving in this country which alone enabled India to make the cloth required not only for the whole of India but also to put it in ships and carry it to other countries and bring back gold to this country. The methods adopted were recorded by Mr. Romesh Chunder Dutt in his book. I shall not refer to them now. They are too well known. They have practically brought the whole industry to destruction. Since the trouble arose in Bombay, the premier city in India, the richest city in India . . . . . (*An Honourable Member*: "No.") Well, statements have been made in public records, that Bombay was the richest city, the gate and the entrance to India.

Mr. Fazal Ibrahim Rahimtulla (Bombay Central Division: Muhammadan Rural): It was.

Mr. T. Prakasam: It was and is still. That position cannot be lost. It may be lost for a while. If Mr. Rahimtulla will be lost to Bombay, then the industry will be lost for ever. Anyway, the industry was nearly killed. I am not a millowner myself. I am not in the line. Today, the Government have suddenly woken up and considerable solicitude is shown to the industry. Mills after mills were closed down in Bombay and various reasons were assigned in the Press from time to time. My friend, Sir Purshotamdas Thakurdas, and my friend, Mr. Birla, have been pointing out that it is the exchange ratio that has been the main cause of the ruin of the industry in Bombay. When there were labour troubles and riots in the streets of Bombay, what was it that was stated in the Press and in the official communiqués of Government? Great Britain, the Indian Government and the Finance Member could not realise what was meant by the closure of mills in Bombay until the mills in their own country began to close down one after another owing to Japanese competition. It is an unfortunate position both for England and India.

At one time, Sir, as a student of constitutional law and history, I was very much enamoured of the constitution of Great Britain, of the constitutional law of Great Britain and the constitutional lawyers of Great Britain. The constitution of Great Britain is considered to be a very elastic one which could be extended to do good to the subjects and to other countries as well. The system of French Government is the droit administrative system, and I had a very great prejudice against the French administrative system. Last year, I had the chance of crossing the sea and visiting a country which is now under the French Government—Indo-China or Cochin-China as it is called. When it is called Indo-China, it refers to the greatness of this unfortunate land at one time. That part of China was annexed by India and ruled by Indian kings for centuries. That part of the country still possesses the great temple of Angkor Wat, which is considered one of the wonders of the world, to visit which visitors from America and from all over the world come. That country has a palace in which those kings resided. The compound wall extends over 20 miles. These buildings remain intact today and the French Government preserves them as living monuments of the ancient civilisation of India. Now, Sir, the French Government have got Crown Colonies, just as the British Government have in the Malay States, and the French Government have also got French protectorates. When I was there, Sir,

the exchange ratio fell all of a sudden. Indo-China or Cochin China was adopting a silver standard under the French Government just as we have been adopting a silver standard under the British Government. The fall of silver is a notorious fact today. Silver has fallen for various reasons and when silver has fallen . . . (*Mr. M. A. Jinnah*: "Have a share with them.") I cannot divide with them although my Honourable friend offers a division; I will leave him to divide with the Government at the Round Table Conference. Now, Sir, I was referring to the action of the French Government and wanted to contrast it with of the British Government here on the question of the exchange ratio. I am just pointing out that the people had suffered on account of the fall of prices in silver in the French country, and when the contracts entered into by the merchants at the prevailing rates on the date of contract could not be kept up at the time of delivery of goods, and when the whole trade was about to crush, the French Government was good enough, at once, to abolish the silver standard and establish in its place the gold standard. The French Government have established a gold standard in the interests of the subjects, who were about to be ruined on account of the fall in silver prices. What is it that we have been doing here? It was not long before my Honourable friend, Sir Purshotamdas Thakurdas, and other friends invited the Honourable the Finance Member to preside over a certain meeting where there was a reference to revise the exchange ratio, namely, to go back to 1s. 4*d.* from 1s. 6*d.* There came the authoritative pronouncement that that could not be done. That was the statement made there.

With regard to cotton piece-goods, I would like to say that it is not only in India that we are suffering with regard to them. We had had some trade in the other countries. In Indo-China, for instance, you will find, Sir, that the cotton piece-goods that were imported once from the Bombay Presidency, particularly from Ahmedabad and other places, were charged the same duty as the other nations were charged. But recently it has been so ruled that while European countries should be charged 20 per cent. of duty on the cotton piece-goods, India is charged with 80 per cent. The result was that, on account of the levying of that 80 per cent. duty, not a single cloth that was made in India for the use of the Annamese people in India-China could be imported into that country. So far as the cotton piece-goods are concerned, therefore, the solicitude is only apparent and not real. I should say, if any protection is to be given in India even 50 per cent. will not satisfy us. If the country should ever get power into its own hands, our English friends can understand that this country would not require even 10 years to make itself absolutely self-supporting by imposing its own tariffs. It will not take even 5 years with regard to that matter.

I would like to say a few words on the question of constitutional reforms. The latest move is the Round Table Conference, about which my Honourable friend, Mr. Kelkar, has said a good deal. The Round Table Conference that is promised today is not a Round Table Conference. My submission to this House is that, if it is a Round Table Conference it must be one at which the representatives of a country would gather together and the Government would be on the other side, and the principles which should be embodied in a constitution should be arrived at

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at that table. But it is not that Conference that has been promised. Mahatma Gandhi and other Congress leaders were led into a mistake at first. You may not agree with me, Sir, but that is what I thought, that this Round Table Conference, about which I read when I was somewhere in Siam or Indo-China, was the biggest hoax that was put forward by the British people. I knew, Sir, that it was the Simon Commission Report that would be ultimately discussed, and this Round Table Conference was referred to by Sir John Simon himself before he left India for good. He said: "You have boycotted my Commission: you have not given evidence before me; but, beware, you will be made to come to England. There will be a Conference in England where you will be glad to come and participate and where you will be stating what you have declined to state now." That is in substance what he stated in one of his statements here before he left India. That is the Round Table Conference that is going to be held now. And, when Mr. Wedgwood Benn was cornered and cross-examined by his opponents to state exactly who had got the power of deciding the principles and embodying them in a draft constitution, he was obliged to say: "Oh, it is only the British Cabinet and it is only the British Government that would be entitled to do it. All that is promised to our friends is an invitation. Come along, please, with all your grievances. You are so many people in the great land of India. There are the Muhammadans, the Hindus, the Christians, the Sikhs and so many others. And then there are the Brahmins and non-Brahmins and so many other communities that are at war with each other now. Each one can send a representative to this Round Table Conference and with open arms we are going to receive you. We are going to hear what all of you have to say. There ends the duty of those who go to this Round Table Conference". That is what Mr. Benn says. I appeal through you, Sir, to the Members of this House who may have been deluding themselves under the notion that this is really a Round Table Conference not to do so. A Round Table Conference was demanded on the floor of this House in a Resolution that was adopted in 1925. It is not that that is promised. Nor is it anything in the nature of the demand made in 1924 on the floor of this House. It is nothing of the kind. This Round Table Conference is only in name. I do not really know what is meant by this. It only means this, that India does not contain any statesman. In India there are good many dandies, some with Gandhi caps and so many without any name. We are all great men in our own way, but the Englishmen always thought, and they think so even today, that it is enough if they can tell these men, the so-called leaders, that it is a Round Table Conference to which they are invited. Never mind the meaning; never mind of the implications; never mind of the power of a Round Table Conference. It is enough if you hold forth that there is a conference to which all of them are invited. We have now commenced the race. Applications are pouring in from the likely candidates. The scramble has begun as to who are the people to go. Each party wants representation. I was shocked to see that even the Congress leaders said that they should have sufficiently large representation there. Is it not enough if one man goes there from the Congress? Is it not enough if one man goes there from each of the recognised parties? How many of you should go there and for what purpose? We have had the music of the Central Committee in England.

Dr. B. S. Moonje (Nagpur Division: Non-Muhammadan): Should they go at all? What is your opinion?

Mr. T. Prakasam: I say that, until and unless the British Ministers and the Government of India say that it is a Round Table Conference with its full meaning, with its recognised meaning that when the principles are decided at that table they will be embodied in the constitution—until and unless you have that guarantee—you will be failing in your duty to the country if you go there. You will be committing a crime against your country if you go there. You have no business to go there to represent any community or any communal interests, whether Hindu, Muslim or Christian. India is India. In India there are so many nationalities. If the English should be ruling today without creating another caste, without adding another caste of their own to the castes that existed already in India, if they should have been dispensing justice between man and man without any difference and without any Imperial Preference or without any difference as regards the spending of money, then perhaps Indians would not have been complaining against the British people so much now. It is only representative people that should go to the Conference. Who went when Muhammadans were ruling in this land? Who went when Hindu kings were ruling? Was there no justice in those days when the ruler or the king of the country was of one community? Was there then no justice between man and man? Having known all about India, having known all about its troubles and having themselves been the cause of the troubles to some extent, why should the Government now call upon the people of all communities to a conference which is called the Round Table Conference, when it is not really a Round Table Conference? Is it merely to go and sit there? I was referring, Sir, to my Honourable friends of the Central Committee that attached themselves to the Simon Commission that went to England. It was painful for me to read in the English papers the details of the differences that were depicted as between any two Members of these five Members of the Central Committee, each one telling his own story, each one writing his own long minute of dissent. It is pathetic for India that in 1930 the Members of this House or the Members outside should be agitating for small petty offices, not merely for top offices but with regard to every grade of offices starting from the lowest to the highest. Is that the way in which the constitution can be built up by any one of us? Is that the way in which you can bring about unity amongst us? You cannot even dream of unity under such circumstances. I submit, Sir, it does not matter even if the Englishmen should continue to have the right of ruling over us ultimately if it is a matter of election and by a vote they get into power. Let them have it by all means under a democratic constitution. How can anybody do justice with regard to the distribution of offices if we are diverting our attention into such minor matters and if we are breaking up for such small differences the all-Parties Conferences held time and again both in Delhi and Simla? Up to now, what is the result? The Government taking advantage of our disunion are inviting us to go to the Round Table Conference and represent our case to them. I submit, Sir, that this Round Table Conference is really not a Round Table Conference and I appeal to the Honourable Members of this House who may have any misgiving until now to realise that it will not be a Round Table Conference in the real sense of the term. On the statements made by the Viceroy and on the statements made by the responsible Ministers in England, they should

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dismiss all such wrong notions from their minds. You will find it to your cost, I am telling you today, that unless and until the position is made clear by the Government of India and also by responsible Ministers in England that this Round Table Conference is one at which the claims of India will be considered separately and independently without having anything to do with the proposals made in the Simon Commission Report or the Nehru Report or some other Report, and those principles will be embodied in the constitution, until that position is made clear, if you go there, you will not be serving your country. Well, Sir, this Round Table Conference has got a previous history. It was in 1924 that a Resolution was moved in this House, not by an extremist politician, not by a Congressman, not by Pandit Motilal Nehru but a very moderate old friend of mine, Mr. T. Rangachariar, who was the Deputy President of this House also and was carried. He moved the Resolution and made a speech on it. It was in 1924 and the Resolution moved by Mr. Rangachariar reads thus:

"This Assembly recommends to the Governor General in Council that he be pleased to take at a very early date the necessary steps (including if necessary procuring the appointment of a Royal Commission) for revising the Government of India Act so as to secure for India full self-governing Dominion Status within the British Empire and Provincial autonomy in the Provinces."

The speech made by Mr. Rangachariar in support of his Resolution was really a very good one, and the Leader of the Opposition then, Pandit Motilal Nehru, was quite right in having stated that he had nothing to differ from what Mr. Rangachariar said. Mr. Rangachariar said that he sought election from his constituency on the demands embodied in his Resolution. He said that the electors asked him what he was going to do and it was only on his agreeing to move a Resolution containing that demand, it was only on that promise to his constituency that he was returned to this House. That was the position in 1924. In 1925 again, there was the national demand on the floor of this House, when again it was carried. I am referring to the amendment moved by Pandit Motilal Nehru to the Resolution of Sir Alexander Muddiman *re* the recommendations of the Reform Enquiry Committee. The amendment of Pandit Motilal Nehru runs thus:

"This Assembly further recommends to the Governor General in Council that necessary steps should be taken:

(*a*) to constitute in consultation with the Legislative Assembly a convention, round table conference or other suitable agency adequately representative of all Indian, European and Anglo-Indian interests to frame with due regard to the interests of minorities a detailed scheme based on the above principles, after making such enquiry as may be necessary in this behalf;

(*b*) to place the said scheme for approval before the Legislative Assembly and submit the same to the British Parliament to be embodied in a Statute."

These were the demands, Sir, that were made in the years 1924 and 1925 and the latest demand was embodied in what was called the Nehru Report in which so many parties joined and which also failed on account of certain small differences. After all these stages during the last ten years, the Simon Commission came here and it was boycotted by almost all the parties excepting a few. I do not know whether they were not merely individuals or some representing certain groups or certain minorities. They were not of any recognised parties. There was no evidence before the Simon Commission from any of the recognised parties. It is now

said, Sir, that the Simon Commission Report would be placed before this very House in June in a special session and to have that blessed in this very House on the floor of this very House in which it was boycotted previously. They would like to have it done now because the Congress Group that was in this side of the House have gone out, and it was also stated that, after that was done, they would even go to the length of placing it before the electors in the country, taking advantage of the resolution of the Congress that the Legislatures should be boycotted, believing that the Congressmen would not be going to the electors. Is this the way in which matters should be handled when a critical stage has been reached? When we are at such a juncture as this, is it not the duty of the statesmen in England as well as here to do justice? Instead of doing that, the Finance Member says in his speech that the country is threatened with civil disobedience, and the Government will not be afraid of civil disobedience. Civil disobedience can never be a threat. They are the persons with an army, a navy, aeroplanes and all the destructive machinery in their hands which they can call to their aid any moment and drop bombs from above, when they like, even on the innocent masses who may refuse to pay taxes to them tomorrow. How can there be any threat? Civil disobedience is never a threat. It is a submission on bended knees for justice; it is a submission of their head into your hands, to your swords and to your revolvers (I am referring to Government). If you like, take them. This country needs freedom; you shall not keep us in subjection any longer. Civil disobedience is the gentlest and most effective weapon which a subject nation which is not pledged to violence can adopt in any country.

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Sir, I do not know why this land has become so very unfortunate and why the rulers have become so hardhearted. Even stones would have melted to see the sacrifices made in this land by men and women during the last 11 years. If it were Englishmen alone that were dealing with us direct today, I should make bold to say, without caring for the consequences, that perhaps Englishmen's minds would have changed much quicker; but in this land Englishmen, who were good when they came here, have been spoiled by us who have become their subordinate officers. We have tainted them; we have spoiled them; we have given them notions of false prestige, and they have now become a curse in themselves, and they think that the only way in which India should be ruled is the steel frame and with the pistol in hand. This country would perhaps never have thought of attaining freedom so soon but for the fact that that worthy individual who had given his life blood to South Africa, had come to his land here again and has given a message to his country. Civil disobedience is not a threat, Sir, I am telling you that it has actually been put into action today again. A man of 60 without much of strength in his body has marched himself to show to this Government that he can call to his aid all the forces behind him in this country, to show to you how he can break your salt laws to begin with. It is not a threat. He has gone there and you are noticing day after day the response on the part of the masses, the illiterate masses who have no education, of whom only 6 per cent. are educated according to your books. Still these masses have got the strength and have inherited the soul power to take a message from above, to adjust themselves to any position, to respond to the call of the leaders and to show to you by the sacrifices they make their determination to give their lives

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in the cause of freedom. I am telling you, Sir, as one who has been with them for the last 11 years, who has lived with them notwithstanding the demoralisation that was brought into existence in the country by terroristic methods and by repression. The masses have known today that they should not get into this campaign in a fit of excitement, 1921 was the year in which there was a good deal of excitement. Nobody knew what would happen and nobody knew whether the people understood the meaning of Swaraj. Today it is quite different. They have understood it. There is no excitement there, they are courting imprisonment with determination. But you must play the game. I say this to the Viceroy and to Government that they must play the game. You must not have recourse to devious methods. This is a straight, honest challenge given,—I do not call this a challenge, I withdraw that word,—this is a straight honest programme given for a subject nation to go through with a view to change your heart. Courting imprisonment is one of things of great sacrifice. In British history you may have perhaps read in your younger days, Sir, it is said somewhere that one great man named Hampden refused to pay ship money. How many Hampdens have come into existence in India! How many women have gone into prison for the freedom of their country, how many men have gone to prison for the freedom of the country! And they see today that all their attempts for the last 11 years have failed. This time your Round Table Conference is a hoax. You only draw us there to say that we are quarreling and we are therefore not fit for anything. We shall not go there, but we shall show you to what extent we can make sacrifices. Are you not as sportsmen to take that into account and deal justice? I say deal justice. When I court imprisonment, you must imprison me.

I am told now that when Mahatma Gandhi goes with his 75 volunteers, Government have decided not to lay their hands upon him and his men, but they will go and forfeit the salt that they manufacture. Has not the salt that has been taken for all these years been sufficient for Great Britain? Will this give you more strength, the forfeiture of their salt? The purpose is stated plainly to you. It is not done by anybody else. One man who has worked it out and produced some good results in South Africa has stated to you plainly the purpose of his campaign in India, and he asks you to imprison him and his batch, and then you will find how many people there are in the country to follow him. I am asking you to imprison him and his men and you will know how many people will be courting imprisonment; and the only request I make to the Government of India is to make facilities for receiving all the men that go into the jails and give them food and accommodation. If you have no place to accommodate them, if you cannot find funds to feed them, is it right that you should apply the regulation *lathi* as was done at Guru-ka-Bagh? You might have been present with me, Sir, when we witnessed those Sikh soldiers beaten with regulation *lathis*. Is it fair that you the Government should apply either the regulation *lathi* or say that you will adopt some other method? We want only a test. That test is that we are a determined nation. We cannot wage war with you. We have no army, we have no arms, we have no ammunition. You are the people who are used to the battle-fields; you are the people who will bend only to violence and physical force. We have got none of these things. But, after all, what is the difference between a violent war and a non-violent war? In the battle-fields you kill your opponents and you get yourselves killed. Take yourselves back to the last war. How many Indians shed their blood in Flanders for the sake of your freedom and for the glorification of Great Britain which Lloyd-George recognised in letters of fire? But he has gone back upon those letters today. As a lawyer and as an ex-solicitor, he is attempting to put his own interpretation on these pledges which he gave then. How can India stand any further? How many times can the British afford to ignore the Indian people's claims?

Well, Sir, if Mahatma Gandhi is not arrested and if his followers are not arrested and if the salt is confiscated, not only there but in every other province where people are ready to go in a non-violent manner and manufacture salt, there are other methods which the people of India will adopt in order to show to you that they can wage an effective war with you without using arms and ammunition. Here is a no-tax campaign. I for one did not approve, did not think it right to have recourse to the programme of a no-tax campaign at this earlier stage. It will come, it did come once and it showed what it was like. It did show what it would be like in Bardoli on a small scale, and I may tell you in Guntur also. There is one Member, a new Member, my friend, Mr. Choudhry sitting here representing Guntur and Nellore today. He may speak on what I say. In Guntur there was a no-tax campaign in 1921. Sixty-four lakhs or sixty-five lakhs was the revenue that had to be collected, and when the Congress called upon the people to suspend payment of the tax, it was suspended for two or three months. It was not paid back until the Congress took stock of the situation, having regard to the terrorist methods adopted by the Government, and advised the people to pay it down, because they would not have been able to stand the repression any further. Out of these 64 lakhs, Sir, the Government could collect only 3 lakhs; 61 lakhs was withheld. That was a demonstration of the spirit of the people. That was a demonstration of the determination of the people. Lord Willingdon was the Governor at that time. Lord Willingdon, after retiring, went to England and in more than one public speech referred to the people of Guntur and said that it was only the people of Guntur during the Gandhi campaign that shook the foundations of the British Empire in India. Suspension of the payment of tax for a few months had its effects, because there was no money to pay to all these officers, Collectors, Revenue Officers and all the other people put together. The money had to be collected and it had to be paid. But such things will happen, if not today, if not tomorrow, if not this year, there will be some day when this will be resorted to by India, when you cannot hold this country in the manner in which you are holding with all the Army and Navy and other forces you can command. I, therefore, say, Sir, that this Government should not ignore the civil disobedience campaign. I am not one of those who feel, Sir, that because there is not that net work of organisations of 1924, there is no life in the country and there are no men in the country. I have taken stock of it and you will know it when you go out with your policy of repression. Do it honestly and arrest as many people as offer themselves to you and you will find that the number will be much more than it was in 1921. (Applause.) They are offering themselves in a cool, calculated spirit and the best of the men will be there and you will not be surprised if I go from this House to break your laws there if you persist in your policy. (Hear, hear.)

Now, Sir, it was Dadabhoy Naoroji with whom I was in London in 1905 and he came over to preside over the Calcutta session of the Congress and

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in his book,—"Poverty and Un-British Rule in India", he wrote more than 40 years ago about the economic condition of India, he gave the facts and the figures. This is what he said:

"Britain has appropriated thousands of millions of India's wealth for building up and maintaining her British Indian Empire and for drawing directly vast wealth to herself; she is continuing to drain about £30,000,000 of India's wealth every year unceasingly in a variety of ways. She has thereby reduced the bulk of the Indian population to extreme poverty, destitution and degradation. It is, therefore, her bounden duty in common justice and humanity to pay from her own exchequer the cost of all famines and diseases caused by such impoverishment."

This is what Dadabhai Naoroji said. My friends, the Honourable Members on the other side, and His Excellency, Lord Irwin, might not perhaps take the words of Dadabhai Naoroji at their face value because he happened to be an Indian. But I should like to quote from the letter of one of the Viceroys of India, Lord Lytton. These are the words from a confidential communication that had found its way into the Press. Speaking of the pledges of the Sovereign and the Parliament of England, he said:

"We all know that these claims and expectations never can or will be fulfilled. We have had to choose between prohibiting them (the natives of India) and cheating them, and we have chosen the least straightforward course."

Again:

"Since I am writing confidentially, I do not hesitate to say that both the governments of England and of India appear to me, up to the present moment, unable to answer satisfactorily the charge of having taken every means in their power of breaking to the heart the words of promise they had uttered to the ear."

Now, Sir, these are the words uttered by an ex-Viceroy of this country. It was in a confidential communication. Everyone on the other side and Lord Irwin, the present Viceroy, will have the same heart, although we do not know what they may have been writing and those letters perhaps will not see the light of the day just as this letter has seen until some generations are over. That may be. But it will not be within the power of the present Finance Member or even within the power of the Viceroy to concede to India the freedom that they have been promising so often. The last eleven years' struggle would have extorted freedom of this land even from the worst bureaucrats in the land, even from the most despotic of despotic monarchs in the land. But as the irony of fate would have it, the Englishman's mind both in this land and in their own land has been converted into one block of iron which would not melt ordinarily until it is thrown into a melting pot. We have no arms, we have no power to do anything. The people of India are going to offer themselves to be sacrificed for the freedom of their country and submit themselves to any repression that you might adopt in future. That is the present position, Sir, and I appeal to my friends here on bended knees not to allow themselves to be tempted into this trap of a Round Table Conference. Those who have pledged themselves to it, who have not understood the truth of it and who have made up their minds about it, let them go and they will find out what it is and what they will get. India is entitled to her full freedom, if not fullest freedom. India had been longing to be a partner with Britain and to remain in the Commonwealth; but you have driven India into desperation. On account of their broken pledges they have driven the Congress to change its creed into one of independence, complete severance.

You remember, Sir, the American War of Independence, in which the British lost their position; how they were driven from post to post; how they lost every inch of ground there, and how they built up their Empire by

annexing province after province, state after state in India. Their existence today in the world—if they look into the world's history written by others, they will find that England owed its existence to India. India does not deserve to be treated in the manner she is treated by the Englishmen. Therefore I submit that this Finance Bill does not come with any grace, with any regard for the condition of the people. I feel, Sir, that Members of this House, whether they are non-co-operators or not, owe a duty to their country; they owe a duty to the people who are sacrificing themselves outside.

If we take, Sir, Hindu-Moslem unity—you will pardon me, Sir, if I refer to the year 1922, when you and I happened to be present with Pandit Madan Mohan Malaviya, Hakim Ajmal Khan and others in Multan in connection with the Multan riots. This was the first Hindu-Muslim trouble. As a journalist, as a publicist, and as one who has taken some little part in the country's cause, I noted the causes. Without the fear of contradiction from my Muslim friends or from my Hindu friends here, I will state exactly what I found on my own investigation on the spot, and what I recorded at that time in the Press also. It was not really a communal dispute that brought about the trouble. It was not a religious dispute, strictly speaking, as it was put up publicly in the Press and elsewhere. The real cause of the trouble was a dispute about a seat in the Municipality. Six months later, Sir, there was a dispute again with regard to the Vice-Presidentship of the Taluk Board of some place. I shall not go into further details of what we witnessed then, and what happened. It was a mistake on the part of the Congress also to have neglected its duty after the Multan riots. For nearly twelve months we were engaged in domestic quarrels about no-changers and pro-changers. The fire spread; it came to Saharanpur and to every other place. I visited many centres of disturbance, but I never wanted to add fuel to the fire by publishing all sorts of things in the Press, hoping that the matter would not take a communal turn. I am therefore really surprised that some of the leaders come here to settle the communal differences of these great communities that have been brought into conflict for some reason or other and to settle their disputes in the manner they are attempting to do. The real points of dispute, the real troubles, were not investigated on the spot immediately by many of them. You will be surprised in this House if I tell you that, after the riot in Saharanpur, even on the fourth or fifth day, it was not the British police officers or military who were patrolling the streets; it was the Akali volunteers that came from another place that were patrolling the streets. It pains me very much to see Hindus and Moslems quarreling. What is their quarrel? If they are religious quarrels, they should be settled outside; why should we make political capital of the religious differences? Do we realise how the people, as a whole, are suffering, nothwithstanding the fact that you score a few seats here or a few places there? All these things should be forgotten. Our problems should be approached from quite a different point of view, and I appeal to my Hindu and Muslim friends who are already doing their best and are in the last stages of settlement to produce the settlement as quickly as possible. Who was responsible for this Hindu-Muslim trouble? It was not the work of the two communities alone. There were people ready, bent upon breaking the Hindu-Muslim unity upon the basis of which the foundations of Swaraj were laid by that leader of the country, Mahatma Gandhi. Soon after he was locked up, it was thought that the first thing that should

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be done was to break up the Hindu-Muslim unity. The Multan riots came up somehow or other. Later they became communal. Now the poison has spread in every direction, and they have had to fight and measure their respective strength until they have found out that one community could not destroy the other. Now at last they feel that they will have to settle the matter, and the matter will have to be settled in a manner which will be consistent with the dignity of the two great communities.

And now almost every one who has got a stake in the country has made a unanimous demand, but the Government have trifled with the entire nation, they have rejected everything; to the great man who sent a letter on bended knees, a discourteous reply goes forth from some Private Secretary or some officer informing him "Beware of the laws of the land". Laws of the land! Take the heads of all those who offer themselves to the laws of the land in a non-violent manner, and then have your kingdom here established permanently. I say, it shall not be for your benefit. You will be losing India, you will be losing India a thousand times as you had lost America on very small matters, for rights in fisheries and such trifling matters. You took the matter to a breaking point there and you lost the whole of that country, and you will lose India in the same manner if you do not have vision, if you do not have sense to do justice by the people on whose account you have got your Empire, your position, your power and wealth and everything in the world now.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I do not want to refer today to the important question of the Tariff Bill, because we will have further discussion on it next week. I would develop two points when the question comes for discussion. The first point is that which Mr. Jayakar pointed out, that, under this Bill, we cannot give our consent in principle to preferential duties. We have to consider the case of each part of the Empire separately, and we ought not to concede to this very important principle very lightly. The second point is the protection of our industries. There are two important phases of protection. The first is to impose an export duty, but the second one, which is equally important, is that a portion of the export duty ought to be given as a bounty in some shape to the local manufactures. The industry can be guarded in two ways, by giving some kind of bounty to the local industry, and by imposing a tax on foreign goods. We have tackled only one side of the question in this Bill and the other side is entirely left out.

But today, Sir, I want to bring to the notice of the Assembly a few important points which will affect the Budget, and if they are properly carried out, new taxation may perhaps not be required. The first point I would like to draw attention to is the question of forest administration. I have studied the statistics about forests, and in this book you will find that we have got about 250,000 square miles of forests, yielding an income of 263 lakhs, that is 2½ annas per acre, expressing it in the familiar words of the Indian zamindar, the profit on our forests is only two pies, or half an anna per *bigha*. In the Assembly there are zamindars, and they will at once jump up on hearing that our forests are at present yielding an income of only half an anna per *bigha*. Now, by better administration, you will be able to raise the income by about ten times. Instead of having an income of two crores, we can easily have an income

of over 20 crores. The administration can be improved by following any of the three methods. The first one is, that we should follow the modern European method, the method which is now being followed in European countries, Germany, France and England, and with these improved methods of administration, it would be quite possible for us to raise the income. An Englishman would shudder if he found that his forests were only yielding an income of 3*d*, an acre; Germany would have no forests if they did not yield more than 60 marks per quadrat kilometer. The second method, which probably is also more profitable than the present administration, is the crude method of the Mogul Empire, that is the method of *Mustajir*. If these forests are let out under proper safeguards to *Mustajirs* or contractors, we will be able to get more than ten times the present income; and the third method is the one recommended by the Royal Commission on Agriculture, namely, that we should have the administration by means of panchayats, because they say that the forests are for the people, and as such they ought to be administered by the people.

The Revd. J. C. Chatterjee (Nominated: Indian Christians): What was the income of the forests under the Mogul Empire?

Dr. Ziauddin Ahmad: I could not tell you exactly now.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): It was about four crores.

The Revd. J. C. Chatterjee: Where does the Honourable Member get that from?

Mr. Amar Nath Dutt: From the "Aini Akbari". You will find it there.

(At this stage Mr. President vacated the Chair, which was taken by Pandit Madan Mohan Malaviya.)

Dr. Ziauddin Ahmad: I cannot enlighten my Honourable friend, but I certainly think that the contract system will yield much more than the present income.

Then the second point to which I wish to draw the attention of the House is the question of the administration of Customs. I always felt that Customs was an All-India question, and like Post Office and Mint, it ought to be administered centrally by the Government of India . . .

Mr. K. C. Neogy: May I interrupt the Honourable Member? I do not know whether he is referring to the small areas of forests that are at the present moment under the administration of the Central Government, or he is taking also the provincial administrations' share of the forests.

Dr. Ziauddin Ahmad: As regards the total figures of income which I have given, they refer to the whole of British India, but I do recognise that a major portion of it comes from the provinces in respect of forests administered by them. But if the income of the forests is increased as a whole, then certainly the Government of India will proportionately be benefited.

Mr. A. H. Ghuznavi (Dacca Division: Muhammadan Rural): Is the Honourable Member aware that forests in Bengal belong to the zamindars?

Dr. Ziauddin Ahmad: I am not talking of the forests administered by the zamindars, but I am talking of the administration of the Central Government. I am sure my friend, who is a landlord, will never be satisfied with an income of half an anna on his own zamindari forests.

Mr. A. H. Ghuznavi: I am sure my friend does not know that we get much more than that.

Dr. Ziauddin Ahmad: That is exactly the reason why I say that we should adopt improved methods, or hand them over to zamindars to manage on the contract system.

Continuing my second point, Sir, Customs should be an All-India subject. I was considerably impressed by the speech of my friend Mr. Abdulla Haroon yesterday. He pointed out the enormous difficulties that are facing the Government at present, because a part of the Customs is administered by the Central Government and a part is left to the States to administer. Some years ago we had the same duplication of work in post offices and mints. Some of the States had their own mints and some had their own post offices and postage stamps, but now, by some kind of understanding, we have got a unified system. I therefore think that it would be quite possible, by some kind of understanding, to bring the entire Customs under the Government of India, and the numerous difficulties that were pointed out by my friend yesterday, and the other complications that are bound to arise in commercial matters can be avoided by unified central administration. Some kind of financial arrangements can be made with the Indian States in the same manner as we made them in regard to postage stamps and mint.

Then the third point which I wish to raise is the question of salaries. I do not want to raise an academic discussion such as we very often have in educational institutions, and which is supported by very subtle arguments of political economy, whether India is getting richer or poorer, but I will mention only two very important facts which will show that India is not so well off as other European countries. The first thing is that the entire Budget of the Government of India is less than the expenditure on education alone in the United Kingdom, whose population is less than one-fifth of the population of British India. In fact it is less than the population of Bengal, even less than that of the United Provinces. So when the educational budget of a country with only one-fifth the population of India is more than the entire revenue of the Government of India, we cannot, in the English sense, call India a rich country. The second characteristic fact is that Germany, with a population of one-fourth of British India, is paying 175 crores of rupees, that is 1¼ times the entire revenue of India, as war indemnity, and after paying this war indemnity, their people are more prosperous than the people of any other country except England and America; Sir, these two facts clearly show that India is really a poor country and cannot afford to pay the high salaries which we are now paying. As regards high salaries, I will just quote one or two things from my own book if I may be permitted to do so.

"The lowest salaries in France may be judged by the fact that the Minister of Education gets about £675 a year, that is about Rs. 750 per month. The four Directors under him get about Rs. 400 a month. Now, the salary of the Vice-Chancellor of the University who controls primary and secondary education as well is only Rs. 450 a month, and the salary of the Chief Inspector of a province is only Rs. 300 a month."

That is the scale of salaries paid in France. (*An Honourable Member*: "Are they all foreigners?") Now, the salaries in Germany are slightly better. The professors there get a salary from Rs. 500 to Rs. 650 a month, and the salary of the Inspector of Education is only Rs. 500 a month. I do not wish to tax the Assembly by quoting more figures, but I do maintain that, with the exception of England, the salaries in India are higher than the salaries in any other country in Europe, and after considering our financial position, I would strongly appeal to the Members on the Treasury Benches to consider whether they seriously believe that India can afford to pay such high salaries as we are paying at present.

Lieut.-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): What is the difference between an M. P. and M. L. A.?

Dr. Ziauddin Ahmad: This important question we shall discuss on some other occasion.

The next point I want to allude to is the question of the abolition of the Advisory Committees and the Advisers for Indian students in the Universities of the United Kingdom. The Advisory Committees are expected to give advice to the Indian students about the courses and the universities that may best suit their requirements, but the members of the Advisory Committees know very little about educational conditions either in this country or outside India. If they don't understand these conditions themselves, how is it possible for them to give any kind of advice to the students? The only advice which they can give, and I have seen it often and often is, "Read the pamphlet published by the High Commissioner's office". This pamphlet is sometimes quoted to the prospective students. This is all the information they possess. This pamphlet does not deal with education outside the United Kingdom. Sir, the educational conditions change very rapidly each year, and any information which we gather today will be quite obsolete two years later, and therefore it is very desirable that the Government of India should set up at their headquarters a Bureau of Information, as recommended by the Hartog Committee, to give detailed and up-to-date information to the students who desire to proceed to England, and this information may be supplied through the Headmasters of Schools, Principals of colleges and Registrars of universities. This will be a quicker, more efficient and more economical arrangement than the present system of Provincial Advisory Committees.

Now, the second thing is that I should like to abolish the system of appointing advisers to the Indian students in various universities. No other Dominion has got advisers at University centres. These persons are supposed to help Indian students. We are tired of spoon-feeding in our present system of education. We are tired of the constant watch and constant supervision, which is very different from the supervision in a public school or a college in England. Now, if this spoon-feeding for our Indian students continues even beyond the seas, our students will never acquire any of the valuable characteristics of the British system of education, that is, self-reliance and resourcefulness. Some persons may argue that these advisers help the students on their admission. It is just the other way round. If they do anything, they do the work of obstruction. The authorities of the British Universities are very jealous about their power of admission. They would never leave the admission in the hands of any person except themselves, and the only thing which the advisers can do is

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that they can stop the admission of students. They cannot help in the admission of students, and it is not very desirable that the Government of India should pay large sums of money for this negative work and the students will be better off if the system of advisers is abolished.

The next thing I should like to take up is the question of labour. Some Honourable Members in the Assembly no doubt fight with their sleeves up for the protection of labour. Labour should be very thankful to my friends, Diwan Chaman Lall and Abdul Matin Chaudhury, for their advocacy, in season and out of season, for the cause of labour, that the Washington and Geneva Conventions should be applied to India without reservation at an early date. But I regret, Sir, that they do not pay sufficient attention to one characteristic fact, that the Indian labour is not so intelligent as the labour in other countries. (*An Honourable Member*: "Whose fault?") The Government no doubt is to blame, but the facts are there. Our labour cannot produce the same amount of work in the same time. The only way in which our industries can compete with other countries is to have longer hours of work, so that the industry may be run more profitably. I suppose all the persons who are in favour of the amelioration of the conditions of labour will support me in pressing the Government to introduce free and compulsory primary education without the least delay. Our labour should be trained to produce the articles in the cheapest possible manner. If they cannot do that, they only destroy the capitalists and *ipso facto* destroy themselves. At the same time, it is important that labour should derive benefit from the wealth which they help to produce. The capitalists alone should not get the entire profit. This can be done by some arrangement whereby the capitalists could be guaranteed a profit equal to the bank rate, and the employees in the factory, including the shareholders and workmen and managers, should get some kind of bonus out of the balance of the profits left after paying a premium to the shareholders at the current rate of interest. I do not want to enter into the details of this question, but I do maintain that the labourers ought to be benefited by the profits of a factory. (*An Honourable Member*: "75 per cent.?") I would fix no percentage. It may be 75 per cent. if the profits amount to 200 or 300 per cent This will depend upon the amount of profit a company is able to show. The key to the improvement of labour is the enforcement of compulsory primary education. That is really the important problem of the day. I showed last time that we required only 2¼ crores in order to enforce compulsory primary education among the boys in British India. This is a very small sum, and I wonder whether the Finance Member may not be able to contribute something for primary education. The Hartog Committee has recommended this very strongly. The Government always desire to quote the recommendations of committees when they suit them, but they entirely throw them into the background if the recommendations happen to go against them. This is just what happened to the recommendations of the Hartog Committee. No mention was made of it by any Member on the Government side. As regards the total cost, I go one step further and say that, if we accept the recommendation of the Literacy Committee of the United Provinces, that one-half of the schools should be of the old Indian type and the other half of the modern type, the cost of primary education will be reduced from 2¼ crores to 1¾ crores. The schools of the old Indian type do impart better language instruction, though they don't come up to modern schools in

cultural instruction. This is a very small sum and I wonder why the Finance Member, in spite of increased taxation, was not able to provide even half a crore of rupees to meet this urgent nation-building demand.

The next thing I should like to mention is that the Government of India cannot wash their hands altogether of education even if it be a transferred subject. The administration of education is in the hands of provinces, but I do maintain that the policy of education is a thing in which the Government of India cannot remain mere spectators. Here in this Assembly, we have got the representatives of all provinces. They are familiar with the educational conditions in their respective provinces, and it will be of great advantage if these educational problems are discussed here, so that the people of one province may derive benefit from the successes or failures in other provinces.

Now, one of the topics which the Government of India alone could take up is the question of the system of examinations. Now, it has been proved scientifically that the results obtained by tabulating the numerical marks don't represent the merit of a candidate. There is some element of luck. There are errors which are unavoidable errors, which occur in every examination. Professor Edgeworth, a few years ago, took up this question from a mathematical point of view and he found out five different errors—error due to minimum sensible, deviation errors, errors due to difference of scale, deviation due to speed, errors due to the fatigue of the examiner. Taking all these into consideration, which are quite unavoidable, the error counts to 7·5 per cent. So that a student who has obtained 28 marks, say, in 100 and has been pronounced as a failure, may have been affected adversely by these examination errors and may have really passed. Now, I will give one very good illustration to show how faulty the British system of examination is. Here is the question of the perception of the examiner.

"The perceptions of the examiners are so divergent that the same answer may secure good second class marks from one examiner but less than the minimum number from his colleague. An example of this is recorded by Dr. Ballard. In an examination in History in the year 1920, the papers were evaluated by six professors of History working as a panel. The candidates were required to get 60 out of 100 marks for a pass, and it was agreed that any paper which secured less than 60 marks should be circulated among the examiners in order to ensure fairplay to all border-line cases. One of the professors, who was exceedingly conscientious, began by writing out what he considered model answers to the questions, but inadvertently his model answer-paper got mixed up with the papers of those whom he had ploughed and was sent round to the other five professors for their appraisal. His paper was read by them as a *bona fide* answer-paper of an examinee, and some of his colleagues ploughed him, the marks ranging all the way from 40 to 80."

This is really the way in which the question papers are examined at the present moment. In other words, the success in examination, according to the present system, is more a question of luck than a question of merit. This being so, it is exceedingly desirable that this system should be revised and the Government of India are the only competent authority who can appoint a Commission to examine the systems of examination in other countries and may institute in India a system of examination which may best suit the Indian conditions. We had our own system of examination which the English people condemned, but today we find that Germany has adopted the very same system which we had followed for several centuries; and nobody can say that the German system of examination and teaching is inferior to the system prevalent in any other country.

[Dr. Ziauddin Ahmad.]

Sir, the next point which I would like to mention is the abolition of the Public Service Commission. This is a point which I discussed last time and I shall give two reasons for its abolition. I am going to base my arguments only on scientific grounds, and I will not discuss today the question of the Indianisation of the services or the representation of the different communities, or the representation of the different provinces. That is a point which I will entirely neglect today.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Is this discussion relevant on the present motion?

Dr. Ziauddin Ahmad: If I want to abolish the Public Service Commission, I must give the arguments for doing so. If my suggestion for the abolition of the Public Service Commission is accepted, it will bring in an income of about five lakhs of rupees or perhaps even more.

Maulvi Muhammad Yakub: This point can be brought on the general discussion of the Budget but not on the Finance Bill.

Dr. Ziauddin Ahmad: If you can effect any saving in the working of our administration, then new taxes will not be needed, and it is on account of this reason that I am suggesting this economy. (Hear, hear.) Now, when I recommend the abolition of the Public Service Commission, I base my arguments on two facts. In the first place, I maintain that, by adding the marks in a competitive examination, it is impossible to put down the order of merit. The Calcutta University Commission wrote a memorandum in Volume VI of their Report, in which they discussed this point *in extenso*:

"The determination of the order of merit by the aggregate marks awarded by a group of examiners is not possible. Within a certain limit of valuation, the limits can be calculated. They depend upon the number of questions, the number of papers and the total aggregate marks. The order of merit of the candidates whose marks lie within certain limits should be determined by considerations other than the examination results."

The Revd. J. C. Chatterjee: May I ask the Honourable Member what better method he would use instead of the method of competition?

Dr. Ziauddin Ahmad: I will come to it later.

The second point which I should like to discuss is that it is impossible for any three persons, whoever they may be, and however learned they may be, to sit down as the Selection Committee for the employment in all professions and for all departments. It is impossible for any person, however qualified he may be, to select in one breath an engineer, and in the next breath a doctor and on the following day an accountant and on the fourth day a customs officer and so on and so forth. Therefore, it is very desirable that the Government should institute a kind of qualifying examination and allow any person to sit in that examination whether he does or does not possess a university degree. The list of the qualified candidates may be published, and each Department or a group of Departments working together may form a small committee to make a selection from the list of approved candidates required for their Departments. This

system will work very satisfactorily. Every Department knows its requirements and will be able to make a much better selection than the one which is made by three persons who know nothing about the internal working of that particular Department.

As regards the general question of examination which I was just asked to answer, that is my reply. May I just mention that the recruitment for public services is not restricted to India and to England alone but every country in the world recruits persons for its public services. May I ask if there is any Public Service Commission in France, Germany or Italy? And yet they do select very competent persons for their employment and the method of selection which the French people employ for selecting their officers is far superior to the one which we use either in England or in India. The French system of examination is also superior to the one we follow in this country.

Sir, there are two more points to which also I should like to draw the attention of the House today. One is the cost of education in the Prince of Wales Military School in Dehra Dun.

1 P.M.

The Sandhurst Committee recommended that:

"The Prince of Wales Royal Military College at Dehra Dun should be gradually expanded to the limit most suitable for an educational institution of this character. Its curriculum and standard of teaching should be carefully tested with a view to securing also that the course of education which it confers should be a qualification recognised by the University authorities."

Now, the number of students in the Dehra Dun military college is 116, and the cost per head is Rs. 2,250. Everybody knows that there is nothing of militarism in this Dehra Dun military college. It is a kind of public school, preparing the students for a military career or any other career which requires general character. I ask all those gentlemen who have been in a public school whether the real spirit of a public school can be inculcated . . . . .

Dr. A. Suhrawardy (Burdwan and Presidency Divisions: Muhammadan Rural): On a point of order, Sir. May I draw your attention to article 16 of the Manual of Business and Procedure which reads thus:

"At the commencement of every session, the President shall nominate from among the Members a panel of not more than four Chairmen any of whom may preside over the Assembly in the absence of the President and the Deputy President, when so requested by the President, or in his absence by the Deputy President."

I find, Sir, that not only is the Deputy President present in the House but that he rose to a point of order. May I have your ruling as to whether the Deputy President is to occupy the Chair now?

Mr. Ghanshyam Das Birla (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): May I point out, Sir, that the Deputy President was not present in the House when the President asked you to occupy the Chair?

The Chairman: The Deputy President was not in the House when I was asked to occupy the Chair. When he came in, I invited him to take the Chair, but he said he would not. (Hear, hear, and Applause.)

Dr. Ziauddin Ahmad: Sir, it is impossible to inculcate the real spirit of public school life if the number is limited to 116. It is very desirable that the number should be increased, not only from the point of view of economy, but also from the point of view of efficiency. Sir, this question of suitable number for an efficient working of a secondary school was discussed recently in England, and I will just quote a few sentences from my book on "Systems of Education":

> "It is impossible to prescribe an ideal maximum enrolment for a Secondary School. A very large school has a distinctive momentum and massive force and it has great reserves to draw upon for the organisation of its advanced work and its games. But the bigger the numbers the more difficult is it for Head Master to know personally the boys under the charge and the harder it is to provide adequate space for assembly, dinner and games. On the other hand, a small school is expensive to staff, as teachers are needed for all branches of the curriculum, whether the pupils are many or few. The London County Council has adopted 450 as a standard figure for its own Secondary schools. The average attendance in France is 1,500 and in Germany 650. The number of Students in Eton College, on the play ground of which the battle of Waterloo was won, is 1,500."

Mr. M. S. Aney (Berar Representative): What is the book that the Honourable Member is quoting from?

Dr. Ziauddin Ahmad: I am quoting from my own book on "Systems of Education". Sir, the proper number by which we can have a real equilibrium between efficient working on the one side and unwieldiness on the other side is 450, that is the figure adopted by the London County Council, and I do recommend that, in the interests of economy and efficiency, the military authorities may see their way to increase this number from 116 to 450. The cost will be reduced from Rs. 2,250 to about Rs. 800 per head per annum.

Sir, the last point which is not educational, to which I should like to draw the attention of the Honourable the Finance Member, is the question of the Post Office Cash Certificates. I recommend today, for his consideration, three points. First, that the minimum face value of the Cash Certificate should be reduced from Rs. 10 to Rs. 5. They will then be within the reach of poorer people, who cannot afford at one time to spare Rs. 7-12-0. Many persons will be able to spend Rs. 3 and a few annas in order to purchase Cash Certificates for Rs. 5. Cash Certificates as the Honourable the Finance Member will bear me out, are not intended for big financiers. They are really intended for persons with limited means, who cannot afford to invest big sums in banks. The second thing which I want to press is that the period may be increased. A person should be able to keep it on, if he chooses to do so, for an unlimited period, after the certificate has matured. The present practice of giving the money back at the end of five years should be discontinued.

Sir Hugh Cocke (Bombay: European): He can keep it, even now, for ten years.

Dr. Ziauddin Ahmad: That was the old rule. One thing about the rate of interest. At present the rate of interest which is awarded on paper is five per cent. If one calculates at compound interest, the interest on a given Certificate comes out to 4½ per cent. only. I calculated this rate of interest entirely in a different way, and I should like to find out from the Honourable the Finance Member whether I am right in my calculation. That is, I have taken the total amount of the cash which the Government have got in their possession for the last five years as given in the administrative reports and I have taken

the amount of interest which they paid on Postal Cash Certificates year after year. Calculating the interest on the total amount in the possession of the Government the rate of interest comes only to 2½ per cent. So according to my calculation the real rate of interest which Government actually pay is 2½ per cent., though the official rate is quoted at 5. I may be wrong in my calculation, but this is the figure which I arrived at by taking the actual amount in possession of the Government for the last five years and the actual amount of interest they paid during the same period. It may be due to the fact that many persons may have cashed their certificates before the prescribed period and failed to get any interest on them. In other words, they got their money back without any interest whatsoever. If this be so, then I think the Government can easily afford to increase the rate of interest to 6 per cent., and perhaps accept only Rs. 3 for a Cash Certificate of the face value of Rs. 5, and in this way it will be a great boon for the poorer people who have not got the capital, and it will also be a source of income to the Government because they might be able to raise this money at a very cheap rate of interest. With these observations, I resume my seat.

Mr. Ghanshyam Das Birla: Sir, in the present atmosphere of this House when the Government have got little regard for public opinion, I would dread to say anything about retrenchment. I have been pressing this point for the last three years, and I feel that if I press it further, I may be called by my Honourable friend the Finance Member a monomaniac. The only consolation, Sir, is that, even the European Group has realised the consequences of the extravagant policy of the Government and has joined me in pressing that economy should be effected in all departments of the Government. The proposal of my Honourable friend, Sir Hari Singh Gour, to retrench five per cent. all round may not be practicable, but I do not think it should have been ridiculed. It is a method which has been adopted in business houses from time to time, and even if it may not be a practical proposition, it should not be without value as offering practical guidance. I hope, Sir, Government will realise, if not today at least some day, the dire consequences of their extravagant policy, and the sooner they realise it the better in the interest of the taxpayers. I propose, however, to confine my remarks entirely to the merits or otherwise of the proposed new taxation.

Sir, I welcome the increased taxation on sugar on the ground that it will afford protection to the producer in the country. It is however an agreeable surprise to me that the consumer's interest, for which Government have been all along so solicitous, has been deliberately ignored. We know why it has been so. We know that, in spite of an already heavy duty on sugar, a further tax on imports has been imposed. All the same, to my mind it should be welcome to every protectionist who feels that, to protect an indigenous industry is to make an investment in the interest of the consumer. I however feel, Sir, that with the same burden which we are proposing to impose on the consumer, we could have protected two industries, and more adequately; for instance, if, instead of putting up the existing duties on sugar which are already heavy, a further burden, say, to the extent of 5 or 10 per cent. had been imposed on the import of piece-goods, we could have, with the same burden on the general consumer, given protection and adequate protection to the two industries.

(At this stage Mr. President resumed the Chair.)

[Mr. Ghanshyam Das Birla.]

But we know why in one case a 100 per cent. duty has been imposed without any regard to the interest of the consumer, and in the other case, when the Indian mills wanted only a 20 per cent. import duty, Government said that, in the interest of the consumer, they could not agree to this proposal. We know why this is so. In the one case, the competitor is not an Englishman; he is a Dutchman in Java and therefore the question of the consumer could not arise. In the other case, it is an Englishman; the imports are from Lancashire, and when it is a question of protecting our industries, whose interests clash with those of English manufacturers, the question of the interest of the consumer comes to the forefront! However, being a protectionist myself, the new duty to my mind should be welcomed and I welcome it.

Coming to the question of increased excise duty on kerosene oil and reduction in the import duty, I again welcome it. My only complaint is that both the duties were not equalised. My English friends sitting opposite may inquire why I grudge such a meagre protection of 9 pies per gallon to the oil producer, when I plead for protection for all other industries. Let me make it clear that protection is nothing like a religious creed; it is a philosophy of bread. If we are to impose a tax on our own consumer, if we are to put a burden on the Indian taxpayer, we can do so with justification only in the interest of the truly Indian industries and not in the interest of those industries in which Indians have no interest. The oil industries in Burma have been paying heavy dividends and they do not require any protection. The companies are not registered in India, the management is not in the hands of Indians, and that being so, I would be the last person to ask Government to impose any taxation which will not benefit real Indian industries. Sir, it was on these principles that this House supported Mr. Haji's Bill. If the Burma Oil Company can be called an Indian concern, or if the Burma producers of oil can be called Indian concerns, I see no reason why the Peninsular and Oriental and other shipping concerns controlled by non-Indians should not be called Indian concerns. Sir, the implications are clear. We want to protect our own industries. If we have to pay for the protection, we should protect only those industries by which Indians are benefited and in which they are interested, and it is on that principle that we supported Mr. Haji's Bill, and it is on that principle that I suggest that the import duty and the excise duty on kerosene should be equalised. Sir, the Indian Chamber of Commerce in Calcutta suggested to the Finance Member that the duties should be equalised at two annas per gallon. They said that this will not only give substantial relief to the consumer but also add very considerably to the revenue of Government. Sir, I congratulate my Honourable friend the Finance Member on his acceptance, although only partial, of our suggestion. We hope that next year, if it suits his financial policy, he will fully accept our proposal and will see his way to equalise the excise as well as the import duties so that, while on the one hand he would be able to give relief to the consumer, he would, on the other hand, be able to add to the revenue of the Government of India.

Sir, coming to the proposal of the duty on imports of silver, let me make it clear that I am strongly opposed to it, and I shall give my reasons for it. What we have objected to and what we have agitated against is the sale of silver by Government. We have maintained that,

on account of heavy sales by the Government of India, the savings of the masses have been very much affected by depreciation of the value of silver; and we still maintain that. Our second objection was that if silver had to be sold, it must be replaced preferably by gold, or if this was not possible, by gold securities. Now, the Government of India maintain that, in the first place, the fall is not due to the sales by Government but to sales by China. In fact, in reply to a question put by my Honourable friend, Sir Purshotamdas Thakurdas, the Finance Member stated that the fall in the price of silver was due to heavy sales by China and Indo-China. Now, Sir, first of all, I want to tell this House that this was a most misleading statement. Ordinarily, the statements made by my Honourable friend the Finance Member are very accurate, frank and candid. But I must confess that in this case, I shall not say deliberately, but quite unwillingly, he misled the House. I will put figures before this House which will show that since 1926, so far as I could see, not one ounce of silver has been sold by China. On the contrary, China took:

In 1927	. . . .	85 million fine ounces.	
,, 1928	. . . .	124	,, ,,
,, 1929	. . . .	137	,, ,,

In fact, their consumption has been increasing from year to year. The production, so far as the United States are concerned, has been practically stationary. The following are the figures of production in million fine ounces in different countries:

	1927.	1928.	1929.
United States	60	58	61
Mexico	104	108	105
Canada	22	21	22

You can see from these figures that the production from 1927 to 1929 in almost all the countries has been stationary. So far as consumption is concerned, India has been practically taking the same quantity. She took 90 million fine ounces in 1927, 89 million ounces in 1928, and 82 million ounces in 1929. As I have shown to you, Sir, the consumption in China has been increasing. The logical inference is that the actual cause of the fall in the price of silver was, Sir, the heavy sales by the Government of India and we strongly protested that these sales should be stopped because they have been very largely affecting the savings of the masses. That was, Sir, our proposal No. 1. The second proposal was . . . . . .

The Honourable Sir George Schuster (Finance Member): Sir, I must interrupt my Honourable friend if he is going to say no more on the subject of our sales. He has accused me, "unwillingly" he said, of making a statement which has misled the House. He said he would give the figures to show that my statement had been misleading. I maintain that he gave no figures to show that my statement was misleading. My statement was to the effect that the recent fall in price had been mainly due to sales of silver by holders in Indo-China and China. I do not know whether my Honourable friend was present when I made a supplementary statement the other day—I think it was in answer to one of his own questions—in which I explained the position. I pointed out, first of all that, according to my information, Indo-China had actually sold 50 million ounces

[Sir George Schuster.]

during the last three months as compared with the total sales of 67 million ounces by the Government of India during a period of 3½ years. As regards China, I freely admit it that on balance in the last two years China had imported more silver than her average consumption in the previous five years. But in my answer to my Honourable friend, Sir Purshotamdas Thakurdas, I was referring to the causes for the recent fall in the price of silver and my information was that one of the largest contributory factors was the position in China—first, the knowledge that very large stocks of silver far in excess of the normal position were held in Shanghai; secondly, large operations in the market by Chinese interests. Now, Sir, my Honourable friend is perfectly aware that the influences which affect the price of silver are not necessarily physical transfers of actual silver, but operations in the market. He knows perfectly well that the price of silver is fixed very largely by transactions from day to day in the London market. Now, if China has imported, let us say, 130 million ounces of silver and holds those stocks physically in Shanghai or anywhere else, the figures which he has given us will show that those imports—and he will be able to say that China has imported silver. But he knows quite well, that against those stocks one may go into the market in London and sell millions of ounces "forward" and smash the price without moving an ounce of silver from Shanghai or any other place in China. In the information I gave to the House, I was acting on reports which I have received from the London market as to such operations and I maintain, Sir, that the information which I gave was perfectly correct. I do not wish to withdraw a word of it.

Mr. Ghanshyam Das Birla: I can see that the Honourable the Finance Member, while willing to modify his statement in spirit, will not like to withdraw a word. But this does not alter the facts. The exact words he used in reply to the question of my Honourable friend, Sir Purshotamdas Thakurdas, were, "Government are informed that the primary influences causing the drop in the price of silver during the last year were heavy sales by China and Indo-China". Now, Sir, I have put figures before the House which will show to you that China has been taking more silver than what she was taking before. As I told you, Sir, in 1927, she took 85 million ounces and in 1929 she took 137 million ounces. When does the speculator come in? If he sells short he must cover eventually and put up the market. Speculators can't produce supplies. I must say the reply was misleading.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Perhaps it will help the Honourable Member if I suggest to him that the difference between what he wishes to impress on the House and what the Honourable the Finance Member is trying to explain is this. The Honourable the Finance Member, replying to my question, gave the impression as if the Government of China had sold silver. What the Honourable Member, Mr. Ghanshyam Das Birla, is trying to make out is that the Government of China never sold. It is possible that speculators in China may have sold. The parallel between the sales by the Government of India and the sales by speculators in China, therefore, is not correct. If this is what my Honourable friend is trying to bring out, perhaps the Honourable the Finance Member will agree with him.

Mr. Ghanshyam Das Birla: I do not think it is a question, so far as I am concerned, of mere words. But the impression which this House got was that the fall in price was due to heavy sales by China. Now either these heavy sales were subsequently covered and therefore could not have affected the price, or the goods were delivered which is not a fact.

Sir Purshotamdas Thakurdas: Sales by the Government of China?

Mr. Ghanshyam Das Birla: He did not say that in his reply.

An Honourable Member: Indo-China.

Sir Purshotamdas Thakurdas: Indo-China does not come in the picture at all. The question is about who is selling from China.

Mr. Ghanshyam Das Birla: I have placed the figures before the House, and if the Honourable the Finance Member agrees with me that he did not mean "actual exports" from China, I do not think there is much difference on that point. And therefore it goes only to confirm what I maintain that the fall in price of silver has been primarily due to sales by Government, and what we wanted to press was that Government should not make these sales at these rates or that at least they should announce their silver policy to the effect that they were not going to sell silver as long as low prices prevailed. That was our contention. I do not know how the imposition of the duty is going to meet this point. My Honourable friend, the Finance Member, will agree with me, that after the imposition of the duty on silver, the world price of silver has fallen further by about 1 to 1½*d.* and if that is so, surely the duty imposed is not going to help the holders of silver in India. The prices may have been artificially put up in India, but it is the world price which counts. And we should not forget that India imports a very large quantity of silver every year, and that being so, the money going into the pocket of the Government of India through the taxation imposed comes only out of the pocket of the Indian consumer. I do not know how this duty on silver is going to help the Indian consumer or the Indian holder. So far as the world prices are concerned, they have been further depreciated by the imposition of the silver duty and therefore I strongly oppose this new taxation which, to my mind, is neither calculated to help the Indian consumer nor the Indian investor who has invested his savings in silver.

Another point is, the Honourable the Finance Member, in his reply, again to Sir Purshotamdas Thakurdas, stated that the reason for selling silver was that he wanted to replace it by gold, and that as the silver earns no interest, if it is sold and converted into sterling securities, they earn interest and that is to the advantage of the public. Now, Sir, I would not mind if silver has to be sold provided it is replaced by gold. But there again, Sir, we have been misled. Let us examine the figures of our gold securities and see whether the Government has been able to replace the holdings of silver by gold securities. Sir, on the 31st March, 1926, the total holdings of the sterling securities in the Paper Currency Reserve of the Government of India amounted to 29 crores. That was before the Government started selling silver, and what is the position, Sir, today? On 22nd February, 1930, our total holding of gold securities had come down to Rs. 2 crores 93 lakhs; that means a reduction from Rs. 29 crores to Rs. 2 crores 93 lakhs. That is the position, Sir. On the one hand, on account of our heavy sales we have depreciated the value of

[Mr. Ghanshya saD mBirla]

silver; on the other hand we have not replaced it by gold. On the contrary, our gold holdings have been very much dissipated during the last three years. I maintain, Sir, that silver has been sold, and probably the policy of the Government still is to sell silver, for the purpose of putting funds at the disposal of the Secretary of State or for the purpose of contracting money; and that being so, I strongly oppose that policy. I also maintain that the imposition of a duty is not at all going to help us but is likely to put a further 2 crores of rupees into the pocket of the Government of India from the pocket of the Indian consumer of silver.

Now, Sir, my other objection to the duty on silver is that, just as salt is mostly consumed by the poor man, so too is silver. It is for the poor an article of consumption and investment both, and therefore this duty must come out of the pockets of the masses. I do not say that the tax should under no circumstances fall on the poor man, but I would try other expedients before touching these two sources of revenue, salt and silver; I should leave them intact as a last resort. My third objection to this duty is that the estimated revenue which has been mentioned by the Honourable the Finance Member is an under-estimate. My Honourable friend Sir Purshotamdas Thakurdas has already pointed out in his speech that it will bring in probably more than Rs. 2 crores instead of one crore as estimated by the Honourable the Finance Member. Probably, Sir, the Honourable the Finance Member has in mind that if there is a surplus at the end of the season, he would like to make a gift of it to the provinces in some directions or on some conditions, or probably he will put the surplus at the disposal of some department or committee to be spent for constructive purposes in the provinces. Now, Sir, that is not a bad idea, but I am afraid this must inevitably interfere with the fiscal autonomy of the provinces. Sir, the complaint is being made from time to time that the Government of India exercise undue interference in purely provincial matters and now when we are talking of provincial autonomy and the residuary power being left to the provinces I think, Sir, such a proposition must seriously clash with the fiscal autonomy of the provinces. We can, Sir, well imagine the results of the Government of India having at their disposal funds and telling the provinces, "Well, if you agree to certain conditions, we shall pay you so much; if you do not agree to those conditions, we will not pay". In such an advantageous position, the Government of India must be able to exercise a very undue influence, and therefore, Sir, I would be the last person to encourage such a policy. I think, Sir, that we could give relief to the provinces in some directions. For instance, we could allow the provinces to collect some kinds of taxations which are being collected at present by the Central Government, and thus allot them quite different spheres. On the other hand, Sir, what we could do is, that if we find at the end of the season a surplus in the Budget, we might remit taxation in some direction, for instance, the tax on salt. But I would be the last person to recommend that the Government of India, with funds at their disposal, should dictate policy to the provinces and come into clash with their fiscal autonomy.

Sir, before concluding, I should like to join with my friend Sir Purshotamdas Thakurdas in the congratulations which he offered to the Finance Member for accepting his suggestions about imposing duties on silver thread and silver wire. Sir, in this connection, as has been very

appropriately said, there has been a distinct change from the past in the attitude of the Government of India. Sir, while I join with my friend Sir Purshotamdas Thakurdas in congratulating the Finance Member, I must confess that, if my satisfaction is great, my dissatisfaction is still greater. Sir, it is all right accepting a few suggestions here and there, but that is, Sir, really a poor consolation. We find ourselves today being confronted with a situation in which a principle is sought to be imposed on us for the first time in the history of India, that is, the principle of "Imperial Preference". The Government of India, Sir, know very well that the opposition is not in a majority; it is in a minority. They know that it is very easy in the present condition of the Assembly to carry this proposal through, although they realise that, so far as the country is concerned, it is uncompromisingly opposed to this principle. And having regard to the fact that this proposal was very strenuously opposed in 1903 by the late Lord Curzon, it comes as a painful surprise that the Government of India under the present circumstances, when the political situation is so unsettled, should think it desirable to impose on the country a principle which was opposed as far back as 1903. Therefore, Sir, it is not a consolation to find that the Government is accepting a comma here and a semi-colon there. So far as the question of a vital principle is concerned, we find that the Government remains what it was and is determined to impose a principle we have been strenuously opposing for the last so many years. Sir, I must, therefore, confess that I do not feel as enthusiastic in offering my congratulations to the Treasury Benches as my friend Sir Purshotamdas Thakurdas feels.

But, Sir, if we are disappointed, probably it is our own fault. We entertain high hopes; we felt, when the Finance Member introduced his Budget last year that we were to expect from him unalloyed justice so far as the economic interests of India are concerned, and now, Sir, this introduction of Imperial Preference has made it more than clear that, whatever may be the personality of any particular Member, we cannot get full justice from this Government. The only solution, therefore, is, the grant of Dominion Status, and until we get that, we should not expect full and unalloyed justice from the Government of India. I hope, Sir, before the Honourable the Finance Member leaves India, I shall have the pleasure with reasons of expressing my hearty congratulations for the services which he may have rendered. And none will be happier than myself to do it. But, that is, Sir, a pious hope at present the fulfilment or non-fulfilment of which is a matter which rests entirely with the Honourable the Finance Member.

The Assembly then adjourned for Lunch till Ten minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Ten Minutes to Three of the Clock, Mr. President in the Chair.

Lieut.-Colonel H. A. J. Gidney: Sir, I desire to take part in this discussion . . . .

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): Sir, there is no quorum. (*Some Honourable Members*: "There is quorum.")

Lieut.-Colonel H. A. J. Gidney: Sir, I desire to take part in this discussion with a view to bring to the notice of the Honourable the Finance Member certain matters which I believe have not been prominently emphasised. I do not intend to compete with my friend Mr. Prakasam who has established a record in his heights of oratory or to indulge in a diatribe against the Government for, even if this is a bad Government, a substitute might be much worse. I want to come down to *terra firma* and treat with solid facts, Sir, not celestial politics, and to ask the Honourable the Finance Member,—I am sorry to find he is not in his seat just now,—to listen to a Back Bencher's view on the adjustment between his Budget expenditure and income on lines indicated by a layman and not an expert financier.

Sir, to my mind, this discussion has been remarkable for the absence of any evidence of that original disease—once so much in evidence before in this House—Indianisation. I suppose Indianisation has been carried to such an extent that there is very little room for it to be practised. (*Some Honourable Members*: "Question.") Anyhow, in its place I have noticed symptoms of another disease which, in the words of my friend Mr. Jinnah, I would call Retrenchment, Retrenchment, Retrenchment, and in doing so the words of Kippling, in his famous "Departmental Ditties" come to my mind:

> "And Retrenchment, ah, retrenchment oft I swore,
> "But was I sober when I swore?"

And from all parts of this House in this discussion, Sir, I see evidence of the fever of Retrenchment. But no one has said from what ranks and Departments this is to be effected. We have however had from the Honourable the Finance Member so many promises of Retrenchment, especially in his reply to the motion moved by the European group, that I would seriously warn him, not that I desire to emulate my friend Mr. Jinnah who has of late acquired a habit of warning Government,—but a friendly warning against the many promises he has been making to the House—at times rather recklessly, because the indemnity demanded by this House for broken promises is sometimes very heavy. After the demand for retrenchment was exhausted we were treated to Sir Hari Singh Gour's five per cent. decapitation cut from the Demand of every department, and this was followed by my friends Pandit Nilakantha Das and Mr. Aney, who wanted to abolish the Salt Department entirely. This wholesale demand for economy is a wholesome one, but, Sir, let us come down to practical facts. The Honourable the Finance Member has frequently said he is ever ready to effect any practical measures of retrenchment and I need hardly warn him in such matters,—for I am no financier, —that efficiency and economy are very often incompatible factors. I should also like to warn him, in view of his promises, of the many past attempts that have been made by the Government of India, under the guise of retrenchments and which have resulted in creating labour troubles and grave economic upheavals with great loss to Government. I do not intend asking him to consider, as my friend Sir Hugh Cocke said in his speech, the price or the hire of a motor car to Government servants, etc., I want to deal with something much more practical than that. I want to warn the Finance Member against certain attempted measures of retrenchment that have been practised during the past few years and which he will find have resulted in disturbing the peace and harmony of his employees and which will in the future cause him more anxiety than the time scale system of increment of salary that was introduced some years ago in various departments.

In this connection let me bring to his notice one or two such matters. Let me take the Railways for instance. Retrenchments have lately been introduced in the various staffs of the Railways, which I consider will lead further and further to disharmony and disaffection amongst the employees. To quote only one instance. We have the 1928 new rates of pay that were introduced in the East Indian Railway in the name of retrenchment and economy, rates that were introduced on this Railway by the Railway Board and not by the Railway, rates which, in my opinion, in as far as it affects European and Anglo-Indian employees, do not amount to economy, but a starvation wage and an invitation to every employé to quit railway work. I ask this House to consider how is it possible for an Anglo-Indian employé,—and my friend Diwan Chaman Lall will certainly support me here, —how will it be possible for such an employé to exist, *i.e.*, to live, work and at the same time be an effective member of the Auxiliary Force which with him is a compulsory term of employment on a salary of Rs. 15 a month as a fireman and from which salary reductions of from 2 to Rs. 5 have to be made for his house-rent and other things. It is absolutely impossible, and I would ask the Finance Member to at once enquire into this revised rate of pay and remedy it. Whilst on the one hand we have such absurd measures of retrenchment, on the other side of the picture we had a recent deputation headed by one of our greatest retrenchers and economisers, Sir Purshotamdas Thakurdas, who approached the Finance Member in support of the employees of the Currency Department asking for more pay. Sir, we cannot have our bun and eat it at the same time. But, however necessary it may be to improve the pay of the Currency Department, the 1928 revised rates of pay on the East Indian Railway are an inequity, not retrenchment, and unless remedied at once will lead to serious trouble.

Let me draw the attention of the Honourable the Finance Member to another instance of wrong retrenchment. Honourable Members will bear with me if I refer in some detail to it, because it bears a communal complexion, but this needs no apology from me. I am here to represent my community, and I do so without fear or hesitation. I refer to the revised Indian Medical Department rates of pay that was introduced by the Army Department. Honourable Members will remember that when I discussed the retrenchment motion of the European Group last week, I referred, in brief, to certain measures of retrenchment in the Army Department to which they had turned deaf ears. In addition I referred to a Department in which members of my community are almost entirely employed,—I refer to the Indian Medical Department. Well, Sir, a new scale of pay was introduced in 1929 in this Department. The Secretary of State's permission was obtained, and this House will hardly believe me when under the guise of retrenchment, I tell them of the utter and unparalleled meanness of the Army Department in the limitation of the application of that increased pay, for that increased pay was given only to those members of the Indian Medical Department serving in military and denied to those serving in the civil and other miscellaneous Departments,—an unheard of procedure in the annals of British administration in any part of the British Empire. Let me quote other Departmental increments of pay. Can you for a moment imagine the result if the Government of India when it sanctioned the Lee concessions

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to the superior Military and Civil Services it limited its application only to those officers who were employed in the Government of India offices and not to those in the Provincial Government? Again, can you imagine a similar case of the Army Department sanctioning an increased pay to its King's Commissioned regular officers and limiting this increment to officers working at Army Headquarters or regiments and refusing it to those army officers employed in the Political Department? Or can you imagine the salary of the Civil Service being increased and it being applied only to those in the Government of India offices and not to those employed under the Provincial Governments? Such conduct would never be tolerated in any other Department for a day. And yet this is exactly what the Army Department has done in the case of the I. M. D. And why? Because he knows that in the I. M. D. he has a patriotic, loyal and well disciplined class of men. Such unfair treatment would never be tolerated by any other Department and yet the Army Department have granted increased pay to some men and denied it to others, and all belong to one cadred Army Department. Is this economy retrenchment or meanness and dishonest economy? Is such treatment to be meted out to the Anglo-Indian community only? The Army Member knows he is wrong and he can-

3 P.M. not quote another Department which has been so niggardly and dishonestly treated. I call upon the Finance Member and His Excellency the Commander-in-Chief to rectify this injustice for it is wholly wrong to single out this Department for such mean and un-British treatment. Contrast this meanness with the liberality amounting to financial profligacy displayed by the entire Army Department, when, in the teeth of opposition of the Finance Department, it passed the present extravagant rates of pay, allowances and pensions to the India Unattached List and the Indian Miscellaneous List. Then compare this with the dates and rates of pensions and revised pay given to the Indian Medical Department from the year 1919 to date. The Indian Medical Department seems to be a very remote after-thought of the Army Department when improvements are concerned. I have also been trying to impress upon the Government of India the miserable lot of their civil pensioners. I wish I could take the Finance Member to the homes of some of these poor old pensioners, Indians, Anglo-Indians and Europeans, living on mere pittances, most of them on starvation wages, and yet these were the men who laid the foundation stones of the very institutions which you and I are working today. These poor men have not got enough money to pay for medicine and comforts while their successors in office are today living in ease and comfort. The Government of India knows of the terrible plight of these their old and faithful servants and say financial stringency prevents them for giving any relief and yet, I can charge this very Government of India (in the Army Department) with financial profligacy. I refer to the extravagant rates of pay, allowances and pension today given to the ancillary Branches of the Army, called the "India Unattached List". I am almost weary of referring to this point,—a Department recruited from the rank and file of the British Army, poorly educated, occupying positions of no importance and no responsibility and yet given a rate of pay higher than is given to one of your own graduates, highly educated technical even entering the superior services on the railway. Ordinarily a ranker is promoted to a non-commissioned officer and brought into the India Unattached List today on a salary of about Rs. 300 a month including allowances more than is given to a qualified Indian

Medical Department man or most probationers in the Superior Indian Services. Here is an instance in which on the one hand you indulge in financial profligacy and on the other you refuse to give your poor old starving civil and military pensioners a few extra rupees, the difference between starvation and comfort. These are a few of the methods of retrenchment in which Government seem to specialise today and which certainly do not stand to their credit.

Then we have another department over which my friend Mr. Sams presides—the Telegraph Department. It is no use for him or the Honourable Members thinking that this Department or the Telephone Department is happy and contented. I can tell the Honourable Member that they are not happy. Measures of retrenchment are being carried out in this Department which are creating a great deal of unrest and discontent and I solemnly warn the Government not to go too far, to cry a halt or they may create an uncontrollable condition of disruption and eruption in the Telegraph Department. The Honourable Member has given freely of his care and love to the Postal Department a very necessary and pressing provision, but he seems to be starving the Telegraph side. Let him have a care. My friend Diwan Chaman Lall will bear me out when I refer to the grave discontent now prevailing among the labouring classes in the railways. These poor men can barely exist under less. The railway subordinate services are understaffed. They have no leave reserve. They cannot get sick leave for the same reason. There is always a conflict going on in most railway stations between the medical officer and the administration officer, with the result that men are sent out to work in an unfit condition and yet this state of affairs is allowed to exist. The men's health is so undermined that they cannot do their work, they cannot get leave and even when they go on leave, sick or ordinary, they have to live on a starvation wage. I hope my friend Sir Hugh Cocke's motion for retrenchment is not meant to apply to these classes of servants and that the Finance Member's promises are not to be fulfilled by such measures of economy. If they are, I shall use my vote to reject the Finance Bill. But, I know the Finance Member has other measures in view, may be he intends to apply Sir Hari Singh Gour's all round cut of five per cent. and apply the retrenchment to the official classes only. If this is his intention—I agree, for in my opinion Railway Officials are overpaid and underworked. The railway subordinates do the work and the officers get the pay. Retrench in the official grades of the Army and Civil Services. The Lee Commission concessions and free passages have drained and are draining India's revenue. I shall not refer in this speech to the industrial unrest that exists in various parts of this country. My friend Diwan Chaman Lall is more competent to treat with that matter. *En passant*, this Honourable House devotes much of its time to discussing the economic and political troubles of a few thousands of Indian settlers that go to East Africa and the Government of India spend a great deal of money in sending cables to the Secretary of State to obtain redress for these few discontented people. Why not spend a little more time, energy and money in giving comfort and ease to your workmen in this country—both pensioners and active workmen—why not put our own house in order before wasting our energy and money on colonists in far off countries, obtain economic peace and harmony in our own country for it, but you must retrench properly. Do not overpay your officials at rates uncomparable with other countries and at the same time underpay your workmen. I warn the Finance Member against a continuance of this policy especially in the Railways.

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Now, Sir, when I spoke on Sir Hugh Cocke's motion, I referred in general terms to economy in the Army. Many Honourable Members were impressed with certain of my observations and have asked me to dilate on them. Apart from their request, I feel it my duty to recapitulate my points in more detail and I do hope they will receive more response and attention than in the past. In the Finance Member, Sir George Schuster I know we have one who is keen on effecting sound and honest retrenchment, when he sees that it can be accomplished without the sacrifice of efficiency. Let me deal with the Army Estimates: Honourable Members are familiar with the total cost of the Army. Now the total cost of the staff of the Army Headquarters, Divisions, Brigades and lower formations is about 2 crores and 15 lakhs out of a total military cost of 54 crores and 20 lakhs which works out at 1/26th of the total cost for the Army. I should like to know whether any business firm in India could run successfully for more than a few months without going into insolvency with such heavy overhead charges. It may be said that the army needs well trained, well paid and many staff officers. I admit this, but not at such a heavy total comparative cost. Let us go further into the matter and ask ourselves how can this be altered? The remedy is a very simple one. In my opinion if His Excellency the Commander-in-Chief were to issue an order introducing the Washington and Geneva Conventions in the offices of Army Headquarters Departments and make all officers of Army Headquarters not the few enthusiasts on whose shoulders the chief responsibility rests work for eight hours a day, I am convinced that the entire staff could be reduced by one-third with no loss in efficiency. In support there is no need to go into further details than to compare the personnel and cost of the civil administration of the Government of India with the cost of Army Headquarters. Such a comparison which would be very enlightening and most instructive, I commend to the notice of the Finance Member. I now propose to enter into further details and would ask the Honourable the Finance Member to bear with me for a while longer. Being a medical man myself, Sir, I have devoted a considerable amount of study to the Army medical estimates as far as the total expenditure of the Government of India is concerned. I find that the Army medical estimates come to a total of Rs. 146 lakhs. In other words, 1/36th of the total Army cost is devoted to the supply of the Medical Service, I mean doctors and their personnel. Some Members may think this a sound investment for a healthy army, but let me go into details: I do not know whether my friend Colonel Crawford agrees with me when I call it extravagance. And why do I say so and why is it so costly? Honourable Members may not be aware of the details, but I have studied this subject and I will tell you why it costs so much. We have in the Royal Army Medical Corps a class of medical officers numbering about 280 who look after the medical needs of the British troops. Out of the total of officers there are 176 Majors, which means that nearly two-thirds of the Corps consist of Majors, officers who are in receipt of salaries ranging from Rs. 1,200 upwards. Now, what work do these senior officers perform? They do the work ordinarily performed by junior Lieutenants and Captains who are in receipt of salaries from Rs. 500 to Rs. 600 per mensem, about half the pay of a Major. The Army Member will no doubt say in defence: But, we cannot obtain Captains and Lieutenants for the R. A. M. C. in India as they will not come out to this country. My contention is if they will not come to this country, is it fair to ask the Indian tax-payer to pay this excessive and extravagant amount of money for

servants—senior Majors—who are doing the work of junior officers and on twice the salaries? In my opinion it is wholly unfair to ask the Indian tax-payer to pay for this financial profligacy. Here you have a measure in which, if the Army Department did not shut their eyes it could effect real and solid economy. Instead they say we cannot get men to come out from England. I agree with them, for I know that they will not come out here for reasons best known to themselves. But if Mahomed cannot go to the mountains, etc., have you a remedy? I have one near at hand and which will not only save much money, but increase rather than decrease efficiency It is this: We have in the Indian Medical Department about 70 officers who possess British qualifications—experienced men of proved merit and responsibility. These men are today being denied employment in the various provinces. Medicine being a transferred subject, the Minister in charge claims to appoint whom he likes and most provinces are refusing to accept I. M. D. men into Civil. In olden days a certain proportion of I. M. D. officers were always employed in the provinces, but today these provinces do not want them. The result is that they are coming back to the Military employment which together with the fact that the military revised rates are higher than civil rates will soon result in overcrowding. This overcrowding will soon have to be faced by the Army Department. You cannot compulsorily retire these men. You cannot employ these senior higher paid men on junior assistant surgeon's work. Here you have a body of men—about 70 of them—who have British qualifications and who can well perform the medical officers' duties today being performed at three times the cost by R. A. M. C. Majors. My demand is, employ these I. M. D. men as professional men and not as compounders and glorified clerks as today to do the work of R. A. M. C. Captains and Lieutenants—send back your hundreds of Majors to England—and you will effect great economy without any loss in efficiency. And yet the Army authorities will not accept my suggestions. Why is it that the Vigilance Economy Committee is so blind to this point? Why will the Commander-in-Chief and the Finance Member turn deaf ears to this economy? Why will they not use the excellent material that is at their very door? It is good material which can be had at half the present cost with no passage money to pay and no Lee Commission concessions as are paid to the R. A. M. C. officers, and at the same time just as efficient, if not more so, because they, the I. M. D., know the country and its diseases and they have been the friend, the intimate and respected friend, pal and doctor of Tommy ever since he came to this country over a century ago, who know Tommy better than the apothecary of but a few years ago. Ask him. It is no use of the Army Department talking of "birds of one feather" as the Secretary said the other day, for there were birds of many feathers in his nest during the war. Here is a class of men whom the Finance Member can use with efficiency and still the Army Department refuses to do so. So much for the R. A. M. C. officer rank. Let me go a little deeper into this question of medical economy and retrenchment. We have a corps attached to British Military Hospitals known as R. A. M. C. (Ranks). Now, who are they? They are men recruited either from the rank and file of the army or separately trained as male nurses or as assistants to specialists, *e.g.*, dispensing X-Rays bacteriological laboratories, etc. They are not well educated, but they are selected men from the ranks who in time rise to commissioned ranks. These men about 500 in number do duty as male nurses and are attached to the British Military hospitals at attractive rates of pay and not hard work. I want to know what necessity is there for

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these male nurses to be brought from England for the British soldier when sick in India? Today the cry of economy and retrenchment is being heard on all sides and from all lips. We also see in some stations British and Indian hospitals are being united and worked as one unit. You have Indian hospital orderlies and R. A. M. C. rank working together as friends, but one drawing three or four times the pay of the other. Why cannot you recruit the R. A. M. C. (ranks) in this country at less cost—from men who are more efficient and higher educated than you have today. I refer to Domiciled European and Anglo-Indian lads fresh from our first class European public schools, real good stuff who would do you proudly and well? This is another means of economy and an effective antidote to our present day unemployment. If economy were effected in those two branches alone, it would mean a saving of over 20 lakhs per annum. I go further and refer to the Q. A. I. M. N. Service. I mean the nurses attached to British Military Hospitals. These excellent ladies who come out to this country as nurses on high salaries, are paid at rates much higher than junior Railway Engineer officers. Their total salary including allowances comes to about Rs. 400 a month. I ask why should these hospitals indent on England for their nurses to treat the British soldiers in this country when there are hundreds of capable European and Anglo-Indian nurses in this country jumping over each other for want of employment? Cannot the British soldier be treated by any nurse but a white one—or is it the British officer who demands this need? Our Indian trained nurses are more capable and proved their worth during the war? Here is another measure of economy and yet the Army Department will not listen to it. There are about 300 of these nurses entertained at a cost of many lakhs of rupees—a hospital luxury—not a necessity. I draw the attention of the Finance Member to this.

I shall now refer to a service to which once I had the honour to belong, namely, the Indian Medical Service. We have in the Indian Medical Service today a cadre of over 600, half of this number works in the civil side and half in the military side. About 25 per cent. of them are generally on furlough and there are 120 Indian Medical Service temporary officers working in the Indian Medical Service. In other words, one-third of the military medical needs of the Indian army is today performed by the temporary Indian Medical Service officers and which is an entirely Indian corps. Here, Sir, we have another means by which economy can be effected without loss in efficiency. In the permanent Indian Medical Service there are nearly 300 Majors, in other words the same position obtains in the Indian Medical Service as in the Royal Army Medical Corps. In my opinion there is no branch of the Indian Army in which Indianisation can be extended and applied as the Indian Medical Service. Indeed this is being operated today, but only as a temporary expedient as evidenced in the retention of the temporary Indian Medical Service. And why is it that Government will not make these men permanent? They say we cannot get permanent Indian Medical Service members from England even though they have indulged in extensive propaganda work as also thrown out baits of salaries of nearly Rs. 1,000 per mensem, so as to secure candidates from England, but they will not come out to India and, yet, the Army Department will not recruit in this country. Instead they are retaining a temporary cadre of 120 Indians to fill up the permanent gap in the cadre of the Indian Medical Service and this has been going on since 1914

—16 years ago—surely it is high time that these temporary measures have become permanent and should be accepted as such.

Mr. K. C. Neogy: Do not forget Sir Cecil Walsh?

Lieut.-Colonel H. A. J. Gidney: Thank you. But he is far beneath the notice of this House. Moreover I think we have dealt effectively with him.

An Honourable Member: Where is the Member representing the Army Department?

Lieut.-Colonel H. A. J. Gidney: He is apparently not interested in this, so is absent. Here are measures of practical economy which, if the Government of India and Army Department were seriously disposed to accept, they could effect great retrenchment without any loss in efficiency.

Now, Sir, I come to another point in connection with the Indian Medical Service which refers to the last year's budget. This House will remember that last year, I moved a cut of Rs. 100 which cut was carried by a very big majority and the Government was defeated. That cut related to the redress of certain disabilities in connection with temporary Indian Medical Service officers. As far as we know in this House, the Government have taken no notice whatever of that cut. Now, I want to know from the Government Member what he has done on that motion. If nothing, what is the use of us coming to this House, discussing matters and moving cuts and defeating the Government and the Government turning a deaf ear to it. You may just as well give us our travelling allowance and tell us to go home and not waste our time here. Here is a reasonable grievance—an injustice which this House brought to the notice of the Government and which the Government has ignored though it was censured. Now, what is that injustice? It is this. We have about 120 officers at present employed as a temporary I. M. S. Department composed entirely of Indians. Within the past year their terms of contract have been altered. Formerly they could serve for nine years, but they could not work for ten years; after 10 years' service Captains are promoted to Majors and the Army authorities did not wish these men to become Majors; instead they were suddenly found unfit, discharged and told to go home. Today the contract of a temporary Indian Medical Service officer is renewable every year and the maximum period he can serve is five years. Why? Because in the sixth year the permanent Indian Medical Service officer can retire with a gratuity of £1,000; this is denied to the temporary Indian Medical Service officer and he is suddenly found unfit for further military service at the end of five years and told to go home. He is given no gratuity but his bare pay though he has put in nine years service, the best part of his life. Compare this niggardly parsimonious treatment of the Army Department to these medical men with the liberal treatment extended by the Railway Board to its temporary skilled workmen who come out as chargemen and foremen in their workshops. These men are brought out on a contract of three years for company managed railways and five years for State Railways. At the end of their temporary contracts they are encouraged, in fact they are asked to take permanent employment and their services are retained and counted for gratuity as if they were permanent servants. I repeat, contrast this magnanimity with the niggardly treatment that is given to temporary Indian Medical Service Officers who have given the best part of their lives and who are today

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performing one-third of the medical needs of the Indian Army. Is this fair? Is this how you treated those junior British officers whom you demobilised in 1922 at the termination of the War?

Mr. M. S. Aney: The Honourable Member should have voted with us on the censure motion against the Labour Member of the Railway Board.

Lieut-Colonel H. A. J. Gidney: That, Sir, is beside the mark. I again ask, why do you not deny a gratuity to temporary Indian Medical Service officers? I quote from a circular which was in existence up to the year 1922. Up till 1922, Members of the temporary Indian Medical Service were given a gratuity. I shall now read from the Circular of the Army Department of the Government of India, dated Simla, 2nd May, 1916, to Local Governments and Administrations:

"As the contract of employment of temporary I. M. S. officers is renewable every year, a gratuity of £60 on the termination of employment in their Commission at £60 every year for the period of employment."

This was given to officers from the year 1914 till 1922. It has since been withdrawn. I want to know from the Government why this has been done? Surely the Government cannot treat our censure motion on this matter in this contemptuous fashion? It is wholly wrong for Government to treat us in this way, indeed I find the Army Member is not present here in the House. I only hope he will be made to realise that he is not treating the Members of this House fairly, nor is he treating the Indian Members of the temporary Indian Medical Service in a fair and square way. Here we have the introduction of marked racial distinction, even though the giving of gratuity to permanent Indian Medical Service officers is camouflaged by giving it to Indian permanent officers. Sir, the Army Department seems quite prepared to indulge in financial profligacy in the present rates of pay to the Indian Unattached List. But it refuses to apply the revised Indian Medical Service rates of pay to the entire Department or to use their services in a professional capacity in British Military Hospitals; it also refuses to treat temporary Indian Medical Service officers more liberally. Why?

Now, Sir, I desire to refer to another point and I wish to ask the Honourable the Finance Member kindly to give his attention to it, although it may not directly concern his Department. I wish to bring to the notice of the Government of India that India which is one of the Members of the League of Nations, a country that claims to be a first class civilised power, and that wants to claim equality with the other civilised nations of the world does not possess a Pharmacy and Poisons Bill. Sir, any petty clerk and uneducated possess and open a shop for medicines and himself dispense poisonous drugs without any qualifications. We, in this House, who call ourselves representatives of this country have allowed this disgraceful condition to exist. Why! Little Ceylon and even Iraq has a Pharmacy and Poisons Act, the Straits Settlement has it also and I would not be surprised if China has such an Act too, but India does not possess such a necessary piece of legislation as the Pharmacy and Poisons Bill. I have in my possession a Pharmacy and Poisons Bill which I have taken the trouble to draft and I propose to offer it as a present to the Honourable Member in charge of Education, Health and Lands in this House. Unfortunately he is not in the House just now. It is iniquitous,

indeed it is incredible and, I may add, most deplorable that this vast sub-continent of India, does not possess such a protective measure as a Pharmacy and Poisons Act.

I have another piece of legislation on which I wish to address Government. Every civilised country except India has some means by which it can protect its mental defectives. In India we have the Indian Lunacy Act of 1912.

(At this stage Mr. G. M. Young, the Army Secretary, entered the House and took his seat and he was greeted with Applause.)

I am sorry the Army Secretary is so late. I am afraid I cannot repeat what I have said except to stress an Act to protect defectives. We have in India, Sir, an Act called the Lunacy Act of 1912. The Honourable the Law Member will bear me out when I say that this is the only Act that we have which in any way controls mental defects, the insane and the imbeciles of this country. In this country we have nearly 2 lakhs of deaf mutes alone. According to Dr. Pacheco, a mental expert of the Ranchi Hospitals we have nearly three million insanes, mental defectives and imbeciles in India and yet we do not possess a Mental Deficiency Act such as he and Colonel Berkeley-Hill so strongly advocate. Every other country has such an Act. The Indian Lunacy Act of 1912 deals only with lunatics of all classes, but not with mental defectives. This means that into our lunatic asylums and mental hospitals are admitted on a common footing the worst types of lunatics and imbeciles along with the incipient cases of mental defectives, and which latter patient requires special and entirely different treatment to the lunatic. In our jails we insist on a rigid separation between first offenders and chronic criminals. The same differentiation should be observed with lunatics and mental defectives. This has been brought to the notice of the Government of India, but with no effect. Why this callousness? This is one of the most serious and sacred duties of the Central Government. I seize this occasion to impress this vital duty on Government and ask it to at once introduce a Mental Deficiency Act similar to the 1913 English Bill and so save the country by preventing these mental defects from roaming the country marrying and so seriously impairing the mental condition of future generations. These unfortunate people should be placed under skilled care and treatment. To my Honourable friend, the Secretary to the Department of Education, Health and Lands who has just entered the House I have much pleasure in presenting this Pharmacy and Poisons Bill. I am also prepared to give a Mental Deficiency Act to the Honourable the Law Member if he would kindly promise to give his serious attention to it.

An Honourable Member: Give him also a copy of the Bill.

Lieut.-Colonel H. A. J. Gidney: I have not yet got ready a copy of the Bill. I am glad the Honourable the Education Member is now in his seat as I now wish to again refer to the importation into this country and the sale in it of spurious drugs. Two years ago, I brought to the notice of this House at Simla the glutting of the Indian markets with spurious quinine and other drugs. Two years have almost passed and we do not know what has been done except one is told that a Committee has sat and another Committee is to sit, but what has actually been done, I know not. Sir, as the chief mover in this matter I have a right to know and I think this House has a right to know what is being done. Every year three to four millions of people die in this country from malaria and, as

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I previously said, if you were to place the corpses of these people side-by-side they would cover nearly 2,000 miles from north to south of India and which for want of a better term, I would call the malarial longitude of India and, yet, what do we still find in India? Our markets are still being glutted with spurious drugs, the bazaars are flooded with drugs., *e.g.*, Ergot Ipecacae-Santonine, etc., at 40 to 60 per cent. below the British Pharmacopœia strength and still the Government of India remains idle and looks on complacently on this situation. Whatever action they may be taking is being done by their quills in the office files. Sir, surely the Government intends to stop this danger, this criminal imposition on an ignorant public, it is a disgrace to any Government calling itself a civilised Government that it should tolerate this imposition on the public of India, the ignorant villager who goes to the chemist to buy his quinine and is given chalk instead of quinine (*An Honourable Member*: "Does he not go to the Post Office?") It is disgraceful that laymen can dispense and with impunity sell poisonous drugs with a license. You demand a license from a doctor, a Barrister, why not exact a similar qualification from a chemist?

They give bad stuff. I would add that Local Boards are similarly duped. They buy these cheap drugs at one-third the real price, *e.g.*, the price of pure quinine sulphas is. I believe, Rs. 18 a pound, but one can buy this spurious quinine sulphate compound in tablet form in the markets of India at Rs. 6 a pound. The man who buys this does not pay for quinine; he pays for a tablet of chalk with a little alum. It is up to Government not to delay any longer in stopping this criminal defrauding of the public; it is up to Government to stop this spurious sale of drugs. It is not fair to the dealer in honest drugs who has to compete with such swindlers. How many mothers' lives are dependent on the administration of pure liquid ergot and yet ergot is sold today in the market at less than 50 per cent. British Pharmacopœia strength, and how many others die for want of proper drugs. I bring this deplorable state to the notice of the Honourable Member in charge, and if he desires to immortalise himself, even if it be in a monument of quinine, I ask him to give serious notice to it and to take action at once.

The other point to which I wish to refer is this. I notice in the Honourable the Finance Member's speech that a certain amount of money, about five lakhs, is being spent on improvement of the Andamans. I should like to know whether the Andamans has ever paid the Government of India any revenue, or has it always been a loss to the Government of India? And whilst on this question I should like to bring to the notice of my Honourable friend Mr. Gwynne a certain statement said to have been made by Colonel Ferrar, the Chief Commissioner of the Andamans, when he gave evidence before the Standing Finance Committee on the 14th January last. This officer made a statement (the truth of which I challenge on the floor of this House) that the Anglo-Indian settlers who went to the Andamans to colonise were an utter failure. Sir, on the floor of this House I deny that any Anglo-Indian went to the Andamans as settlers. The twelve men who went to the Island in 1924 were ex-service men unemployed and were sent by the ex-Service Association for 12 months and they did not give a pice to any of these men except for their food.

Mr. G. W. Gwynne (Home Department: Nominated Official): Sir, I should like to explain that, in the proceedings of the Standing Finance Committee, the statement attributed to Colonel Ferrar does not occur. There is nothing to that effect at all.

Lieut.-Colonel H. A. J. Gidney: I have seen there is no reference to this in the official report, but, it appeared in every newspaper in India. I must therefore ask the special correspondent of the *Statesman* in which paper this statement appeared, as also the Editor of the "Occasional Notes" of this newspaper to explain the reason why it commented on a thing which was not true and never stated as Mr. Gwynne states. I have with me, Sir, the newspaper report, a press cutting from the *Statesman* in which it states, in unequivocal language, that Colonel Ferrar said that the Anglo-Indian colonists were an utter failure, and if he said that, it was not a true statement. No Anglo-Indian was sent to the Andamans as a colonist. These twelve unemployed men went at the mercy and the good grace and kindness of the ex-Services Association as an unemployment relief measure for 12 months only. Thirty rupees were given to Colonel Ferrar, at the rate of one rupee a day for their food, and not a pice extra. How can you make bricks without straw? How can you expect to make anyone a colonist without providing him with bullocks, seeds and a plough, or even takavi, to say nothing of clothing, etc.? That statement in the press, Sir, is grossly untrue and I deny it on the floor of this House with all the emphasis at my command.

Sir, the next and last point I wish to deal with is on European education. I will not enter into a learned dissertation on the subject as my friend Dr. Ziauddin Ahmad did. My desire is to refer to and criticise in general terms education as it is taught in our European schools today. I consider that the system of education as taught in European schools today has as its two chief objects a continuance of the importation into India of expensive European Headmasters and the alienation of the European and Anglo-Indian community from the Indian community. In short we live as two peoples poles apart. Times are changing, Sir, and the time has come when we Europeans, Anglo-Indians and Indians must come together more closely, and learn more of each other and where can this be better achieved and developed than in our schools? And yet European education as it is being taught today by the imposition into this country of a system called the Cambridge system of education has nothing else as its object but to alienate us from each other. This system, Sir, has further disadvantages well known to all of us. This system was brought into this country twenty years ago, because it was then thought that the Indian University matriculation examination of this country was not good enough for us. Sir, it was good enough for me and many others who have made good in India, but it was brought into this country, first of all into La Martinere College of Calcutta, from where it has disseminated throughout the length and breadth of India in our European schools. With this system we are taught more of English history and little or nothing of Indian history. We are taught more of the capital towns of Europe and nothing about India. In short the superiority and inferiority complexes are developed and kept alive to our loss. Moreover we have to stop in our schools for two years longer than if we go to schools which accept

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the matriculation standard. In short it means that the Anglo-Indian is handicapped by two years in the race of life in his own country. We are today called upon to run a level race with the rest of India. The Anglo-Indian boy passes his Senior Cambridge at the average age of 18, the Indian boy passes his Matriculation at the age of 16, which means that he has two years' advantage over the Anglo-Indian boy in his post graduate and graduate life. If I am asked by Government to run a level race, I think it should be one of the sacred duties of the Government of India who have an Educational Commissioner to advise them in matters of education to forcibly bring home to all provincial Governments and Government educational institutions that the Senior Cambridge is foreign to this country, that it leads us to nowhere and to nothing in this country especially for Government employment. The Chairman of the Public Service Commission, I hear, chucks candidates possessing the Senior Cambridge qualification away from his consideration by the bucketful when selecting candidates for employment. He is neither a graduate nor an under-graduate. The parents of this child are called upon to pay for two years' additional education than an Indian lad and he is in addition given a system of education which is of very little practical value and use to him except as a clerk or a *Chota Sahib* in some firm in Calcutta. To graduate on equal terms we have to swim in the same educational stream as the rest of India, though we would prefer to have our own schools indeed—our religious faith and culture assist on such a segregation. But even so I submit with all respect to the Government of India and the Member in charge who is now sitting in this House that it is the duty of the Government of India to indicate to the provincial Governments that it is time the Senior Cambridge system was forthwith stopped and the Anglo-Indian and European lad in the European schools in this country were allowed to appear for the same examination as the Indians and run a level race, *i.e.*, the Cambridge system be replaced by the Matriculation, and that we should not be so seriously handicapped, in that many of our parents are in a measure forced to send their children to hill schools for the chief reason that it is only in the Hills that European teachers can teach and not in the plains, which in turn considerably adds to the cost of our education and which with reduced wages we cannot afford to meet. This is the chief reason why the majority of Anglo-Indian children cannot go up for higher education as compared with the cheapness of Indian education. The cost is too heavy, the overhead charges of our European schools are most excessive and with our daily lowering wages we will find it increasingly difficult to educate our children in any of our expensive European school. Indeed I can visualise a near future when our meagre wages will result in an emptying of our present European schools and Europeans, Anglo-Indians and Indians will be found attending common cultural schools.

Sir, these are few of the various matters I desire to place before the Honourable Member for his personal and serious consideration. Sir, there are certain matters on which I have specialised and there are other points on which I have generalised. But I would ask the Finance Member to give these various matters his serious consideration. I beg of him to give his personal consideration to the economies and retrenchments I have suggested in the Army Department. I would ask the Member in charge of Education to abolish this distinction that exists today in the

systems of education of Europeans and Anglo-Indians on the one hand and the Indians on the other. Let us swim in the same stream though in our own schools; if you want us to run a level race with the Indian, let it be on equal terms, not unequal as it is today. But if you handicap us and compel our parents to spend money for an extra two years, you cannot expect us to have a fair race with the rest of India.

Dr. Ziauddin Ahmad: Sir, may I ask the Honourable Member if he is speaking on behalf of himself or on behalf of the European Group?

Lieut.-Colonel H. A. J. Gidney: I am speaking on behalf of the community which I represent here.

Dr. B. S. Moonje (Nagpur Division: Non-Muhammadan): Sir, from the time the conviction has been forced upon me that the Government of India will not be likely to yield to our demand for our birthright, my attitude towards such measures has been undergoing a tremendous change. I was a young man when, in the company of my *Guru* Lokamanya Tilak, I was very hopeful. We were so hopeful that my *Guru*, though old and even broken in body owing to the rigours of the imprisonment he had to go through for his patriotism, went all the way seven thousand miles over the seas and appealed to the Labour Party to see that at least their conscience could be roused to see the rights of the people of India. He returned disappointed; he returned heart-broken. He did not survive long. His disciples have the experience of their *Guru* running in their blood. They have come to feel that there is no hope from this British Government. When this conviction has come upon us, then the mind naturally goes in for a critical analysis of the situation, and after analysing it, we find that we Indians, including also the Mussalmans, not to speak of Hindus alone, but we both, Hindus and Muslims, are essentially a spiritual people, and are moved essentially by spiritual motives. But on the other hand, we find the Britishers, in contradistinction to us, are equally essentially a material people. They are moved essentially by material motives. They cannot understand the spiritual force. They cannot understand the soul force. They can only understand what is material force, and they appreciated that material force when it was brought against them for the first time on the face of the world by most intelligent race known as the Germans. They understood the material force then. (*An Honourable Member*: "Brute force.") You may call it brute force. But every human being has also the brute in him along with his God. Fortunately for us, our spiritual nature has prevailed or has overcome our brutish nature. I will not use that word brute in respect of my British friends. The Britishers have already specialised in cultivating material force. I admire them for that. I am the greatest admirer of an Englishman for the development he has brought about of his material force, and therefore, after having analysed the state of things in this way, it is our duty first to see if we can infuse some part of our spiritualism into the British, so that the Britisher might see that there is some such thing as right which need not be backed up with might for its assertion and might come with his soul in his heart to see the right and grant the right which we regard as our birthright. We are trying to do that, and Mahatma Gandhi is experimenting in that. I wish him all success, because soul force incarnate as he is, I hope he

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will succeeed in his experiment of injection of his spiritualism and soul force into the British Bureaucracy and I trust the British skin will not prove so impenetrable because of its thick materialism as to be found incapable of being injected with the spiritual force of love and non-violence of Mahatma Gandhi. But while I wish every success to the Mahatma, I feel, Maratha as I am, with my innate capacity—you may call it weakness—of balancing profit and loss and of distinguishing practicality from impracticality. I should ask myself, should I entirely depend on my soul force, or should I also cultivate that force, that power called the material power, which alone, at the present moment, the Britisher recognises and which alone can impress the Britisher and it is therefore that from the time I have come into the Assembly, I have been doing my best to infuse as much as possible, as much as I can, my spiritual force into the British people and to infuse their material force into myself, so that they may grow spiritual, and I may grow material. We shall then come together on a level, and then when we are equals we shall be friends. They will then recognise our birthright, and we shall recognise their position in the Empire. There will then be a commonwealth of nations, where even the British Throne will be an equal property of all the Dominions which will go to make up that commonwealth. There will be no such thing as English Raj, and there will be no such thing as Hindu Raj or Muslim Raj. It will be the entire Empire Raj, and if the Indians are an immensely larger body in that commonwealth, that Empire will then be the Indian Empire. There the Britishers will be sitting by us, side by side, and will say, "If that is your right, I also have got my right". I will then say, "If you recognise my right, I shall recognise your right." So long as we had been admitting the superiority and our lordship of the Britishers as the sole masters and proprietors of the Empire, we met with nothing but disheartening failures. As an inevitable result of despair a new mentality has been developed—a mentality of complete equality between the Indians and the Britishers, and it is this mentality that I have inherited from my political *Guru* Lokamanya Tilak. (Interruption.) It is very good that my Honourable friend, Raja Ghazanfar Ali Khan, who interrupts me here, recognises it. I hope he will develop that kind of spiritual force which he may be able to infuse into the British materialism and that he has got a sufficient amount of material force which he and I shall use for the mutual benefit of the Britishers as well as ourselves. (Hear, hear.) Here now I am dealing with what is called the Finance Bill. I may say that, as financiers, we Maharattas are generally failures. We can never make money. There is a saying that if a Maharatta Brahmin boy is given a rupee in the morning by his father and asked to go into the market and bring back home Re. 1-4-0 in the evening, that Maharatta boy will bring back only 12 annas, and not Re. 1-4-0. That is our difficulty. As we Hindus are caste-ridden so also our country, this land of Hindusthan, appears to be equally caste-ridden. Because if you go to Gujrat or to Marwar and there you give the boy a rupee, that rupee will perhaps be converted into Rs. 100 by the evening. My friend, Raja Ghazanfar Ali Khan, who is a blue blooded Rajput and comes originally from Rajputana and now belongs to the Punjab, the home of Sikhs and Jats, has much

material force in him. We can all combine together and create a force which will be a double-edged weapon of soul force and material force—a force of love and non-violence and of machine-guns and aeroplanes. Well, we are inspired by this ambition, and having an ambition is a very good thing. But this ambition is really ideal. It is his mission in one's life to humanise people, to civilise people if spiritual force is to be recognised as a civilising agent. It is a noble ambition no doubt but the means, that is, spirituality, by which the ambition is to be realized are still nobler. But the most disheartening fact is that the material, to start with, on which this humanising agency has to work, is highly ephemeral though solid, highly impalpable, though we feel every moment that it is actively working on all sides of us. It has been said by a very famous Englishman—I forget his name now—that the British Empire in India, which is called the Government of India, is an institution which is soulless and bodiless. Therefore, when the material on which to work is an institution which has got no soul and which has also got no body, the question arises, how is this ephemeral body to be infused with a soul, that is, in other words, how is the spirituality of Mahatma Gandhi to be injected into it? It is so very intractable. (Interruption.) My friend says it is a Holy Ghost. It is therefore that we find it extremely difficult to deal with it. As a natural consequence, our experience of the last three years in the Assembly has been that the Government of India as such are thoroughly irresponsible, are highly extravagant, are heartlessly wasteful, and what is more, as I have found by my own experience, they are positively and wilfully obstructive to our rightful exercise of whatever little privileges have been conferred upon us by the present Government of India Act. I am going to illustrate all these points by instances in our day to day working.

Now, I will give an instance of wastefulness. I deliberately call it heartless. My friend, Colonel Gidney, has very ably anticipated me in this respect in one department. I am so very thankful to him for having lightened my task to that extent. But he has been expressing his ideas in his own language and I should therefore, as far as possible, try to speak in the language of the highest officers of the Bureaucracy. Now, as regards wastefulness. Take, for instance, the department of the Army. I have come to know that the department of the Army is an agency where waste reigns supreme. What I am saying is really no exaggeration. I am going to prove it by facts and by the opinions of the highest British officers. Now, there has been in India a very honest English gentleman who was our Commander-in-Chief lately, known as Lord Rawlinson. He was a very honest gentleman. Though a large part of the steel frame of the Institution which is called the Government of India, he appeared to possess both soul and body. There is no reason to disbelieve what he wrote in his private diary where he appears to have opened out his heart. He perhaps did not think at the time of writing his diary, as so many people write their own diaries, that his diary would ever find a place in the public Press. Lord Rawlinson, writing in his diary, says:

"The average cost of a British officer has gone up by about Rs. 4,000 a year."

of course after the war, and further on he says:

"I am shocked to find we have nearly 2,000 officers in excess of requirements."

of course of the military needs of India.

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Did I not make out a point when I was making my budget speech the other day, that the military machine of India is much in excess of the present needs of India?

Diwan Chaman Lall: Our friend, Colonel Crawford, does not subscribe to that view.

Dr. B. S. Moonje: I am speaking of an officer who is a far greater authority than the Honourable Colonel Crawford.

Lord Rawlinson said that he was shocked. Can you imagine the shock it gave me when I read it for the first time? Can my Honourable friend, Mr. Young, bring himself into communion with the spiritual soul of mine and imagine and appreciate the amount of shock I could have received when I read that?

Mr. G. M. Young (Army Secretary): I do not know whether I can respond to that invitation exactly, but I can inform the House that, as the result of Lord Rawlinson's efforts, about two thousand officers were retrenched in the Indian Army.

Dr. B. S. Moonje: I am so thankful for that information. Does it not prove my point to the hilt? Does it not indicate wastefulness in the Army? But when were they retrenched? I call for that information.

Mr. G. M. Young: During Lord Rawlinson's time.

Dr. B. S. Moonje: Say about 1924. So from the time of the Mutiny up to 1924, or to be more accurate, from the time war was declared in 1914 to 1924, so many officers over and above our needs were being maintained, were receiving pay at our cost. But Lord Rawlinson was a kind-hearted Englishman; he said he was shocked; his honest conscience was biting him, and he could not refrain from expressing his frank opinion. Somehow he had to explain away the point and ameliorate the shock he received, and he says, "They were taken on when they were wanted during the war, and we cannot simply kick them out". That is the explanation. My friend, Colonel Gidney, gave an example of Indian officers of the Indian Medical Service who were similarly recruited when wanted during the war but who were and are now being kicked out heartlessly. But if Lord Rawlinson had been living today and if this fact could have possibly been brought to his notice, I am sure my friend would have had no occasion to complain as he is doing now. Now, Sir, I can quite understand the humane sentiment that, since we engaged them for war, they should be kept and paid and not be kicked out unceremoniously. That is human nature, and human nature is everywhere the same but blood is thicker than water. The question, however, is why should the cost be debited to India? Why should they be dumped into India? Have you not got your own British Army in England, your colonial Army of your own kith and kin? And why didn't you distribute these people amongst them, and why did you keep them here? That is the question. You know we have been paying, according to Lord Rawlinson's calculations—my calculation however is different—but I will speak according to the calculations of Lord Rawlinson, we had been paying these two thousand officers yearly at the rate of Rs. 4,000 each, that is to say we

have been paying Rs. 80 lakhs per year for the last seven years. It comes to Rs. 5·60 crores. And we have been told that to give effect to the Skeen Committee's recommendations is a question of money. It is a question of money, they say, to establish an Indian Sandhurst. Now the excuse of Indian cadets not coming forward of required quality and in sufficient quantity has disappeared because I have proved by actual facts that there is no ground for the excuse, I have also quoted from the Report of the Skeen Committee that the Indian Commissioned Officers have given every satisfaction. The other day my Honourable friend, Mr. Young, was saying that I did not quote correctly. Without quarrelling over the point, I am repeating it now. The Skeen Committee says:

"There are a number of King's commissioned officers already in the Indian Army who were pronounced by their Commanding Officers to be efficient according to the single standard of efficiency which the Army recognises."

"Single standard of efficiency", mark the words; no two standards of efficiency, one for the Indian and one for the Britisher, single standard of efficiency by which Indian officers have been judged and pronounced to be competent officers equally with the Britishers, by the Commanding Officer, and further the Committee says:

"Many of these have reached their present position in the face of far greater disadvantages and difficulties than the British boys."

What higher test for Indian boys can any body conceive of? Indian boys have to contend against greater disadvantages and difficulties than the British boys, and yet they have proved their worth as tested by the single standard of efficiency applicable equally with the British boys. I have brought to the notice of the House a handicap of one student who had competed for admission to the Cadet College of England last November. He was chucked out, he was failed; he was not accepted for admission simply because he failed to get three marks more in the combined subject of mathematics and physics, to come up to the level of pass mark in those subjects while in the aggregate he had got 157 marks more than pass marks, and in the Interview and Record test which is regarded as the most important of all, he has obtained 210 marks; that is 70 marks more than the pass marks. Passing in this Interview and Record test is regarded as of such high importance that no boy who may have got the highest or even cent. per cent. marks in all the other subjects, but has failed to get at least 140 marks, which is the minimum fixed for passing in the Interview and Record tests, can be accepted as fit for the Army or the Air Force. A boy with a fine body, fine appearance and fine development and very fine record of proficiency in manly sports such as riding, shooting, games, etc., certified by no less a man than the European Principal, Mr. Garrett, of the Lahore Medical College, was turned down because he obtained three marks less than the pass marks in the combined subject of physics and mathematics. We have no right to ask that a favour should be done to him. No, we have no right, because he has failed by three marks in physics and mathematics. His career in the college has been so good that he has been getting about 75 per cent. of marks in mathematics in his class, and if I remember aright, in his first turn of appearing for the competitive examination of the June session of the Interview and Record Board in 1929 he got more than the pass number of marks in mathematics, but was failed in the Interview and the Record test. I was

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surprised when I heard that such a boy could not pass through the Interview and the Record. However, the fact is there, that there is a single standard of efficiency by which Indian boys should be judged, and therefore I might make a suggestion. In this instance, if the boy had passed in all other subjects, and only for want of three marks, he has failed in mathematics and chemistry combined, let him be given a chance to appear for that paper alone when the next examination comes in June, so that he may try again to pass in mathematics, and after he has passed in mathematics he could go to England along with the boys who had been declared eligible in the November examination. That is a reasonable suggestion. I do not ask for a lower standard of efficiency. Besides, if the Skeen Committee's recommendation had been given effect to, the vacancies that should have been available to Indian boys last year should have been 24, that is 20 for 1928 and 4 additional for 1929. So that

4 P.M. 12 boys should have been taken in the June examination and another 12 should have been taken in the November examination of 1929; but only 10 boys have been accepted though there ought to have been 12 vacancies for Sandhurst, for which 18 boys have been declared to have "passed the examination but are unsuccessful". That boy had passed very well all the tests for Sandhurst. He had given his first preference for Woolwich for which he unfortunately failed for want of three marks in mathematics and physics combined, but he had also given his second preference for Sandhurst, and that boy should have been taken in for Sandhurst. My question, therefore, to the Government, whose soul I am trying to rouse and quicken at the present moment, is, that, as the boy had passed in the Sandhurst examination completely, according to your standard, and if there ought to be two more vacancies to be filled in, according to your own admission, that the recommendation of the Skeen Committee had been given effect to, why did you not take that boy for Sandhurst though Sandhurst was his second choice because he could not get through for his first choice, Woolwich?

Sir, I find I went a little astray, so I will come back to my original theme of wastefulness of the Government of India which I characterise as heartless. I am not going to cite many instances of this wastefulness, because they are so many in number. A few instances were quoted by my friend, Colonel Gidney, and I could quote several more, but I shall not tax the patience of the House by citing any more instances. I shall therefore address myself now to the possibilities of economy in the department of Army. If, for instance, Lord Rawlinson had been alive today as our Commander-in-Chief, or if any other gentleman like him had been our Commander-in-Chief today, he would have taken action. I hope this matter will be brought to the notice of our present Commander-in-Chief—I know him, he is a very high-minded chivalrous sportsmanly and yet very considerate and very sympathetic gentleman,—but the only question is that his attention should be drawn to the matter engrossed as he is in the midst of his several other arduous duties—(*An Honourable Member*: "Have an interview with him.")—Well, I will have an interview with him, but I should have liked to tell him face to face on the floor of the House, if there was an opportunity for it,—as I said if Lord Rawlinson had been in our midst today, he would certainly have taken effective action. In his life-time Lord Rawlinson recognised the

wastefulness that was going on in the military department and had suggested several ways and means of economy. And what does he say in this respect? He says, "The only effective economy on the military side"—of course his views must be respected by every one of us—"must come from the reduction of the British troops, the cost of which is still rising". Therefore, our own point of view, before we had read this report in the diary of Lord Rawlinson that the British Army is too big for India and therefore it could effectively, safely and without any undue danger be reduced, has been established beyond contention. That spontaneous appeal of ours for reduction of British troops has been substantiated and supported by no less a person than Lord Rawlinson.

To this evidence of Lord Rawlinson, Lord Roberts, another still more distinguished Commander-in-Chief of India adds his own testimony in support of our appeal. And what does he say? "When the mutiny broke out"—and what kind of mutiny it was I shall describe presently in his own words,—"when the mutiny broke out, the whole effective British force in India only amounted to 36,000 British men against 2,51,000 native soldiers". This mutiny took place—the House must remember this fact,—at a time when there was no Arms Act in India, at a time when the Kingdom of my warlike Sikh friends in the Punjab was conquered only just seven years before, at a time also when the Mahrattas had lost their India-wide empire—hardly 73 years ago, and at a time when the only deciding weapon on the battlefield was either the sword or the rifle—but the rifle was not so well developed as it is today, and ultimately the deciding factor on the battlefield was the sword on one side and the bayonet on the other. At that time, the Indians had been weaned away from their martial spirit. At that time of the fierce mutiny the Britishers could maintain their Empire in India, when the whole of the Indian Army had revolted, with only 36,000 British troops. And now after about 75 years of complete disarmament, when the Maharatta has practically completely lost his warlike colour, when the Sikhs though still maintaining their martial spirit had completely lost their former soul of Ranjit Singh, because as the House will see it was hardly seven years after their final defeat and the surrender of their kingdom to the British that the martial power like that of the Sikhs had accepted the divine superiority of the English and submitted themselves to serve as soldiers to save their Empire during the mutiny of 1857, I ask—now after the lapse of 75 years, during which science has revolutionised both the weapons and methods of warfare to which Indians are absolute strangers now—I ask, where is the need for such a large British Army of Occupation? I repeat—I ask—where is the need today for as big a British Army as 69,513 strong, that is, almost double of what they had in 1857 with which they were able to tide over the mutiny? Is it not wastefulness to have such a big army beyond our needs? In those days we were not emasculated; we were in full possession of our martial spirit, when nobody could dare say that there was no martial character in our boys; we justified our fitness for the army career because we waged wars, fought, battled and built our Empires. Of course, in those days all—the utmost—that one could say was that our boys were not initiated in the western modern methods of warfare, the western methods of Drill and Discipline, but the martial spirit was there, the military character was there, and nobody could challenge it. Giving a very vivid description, a very heart-touching description of the

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Mutiny of 1857, Lord Roberts says this in his interesting book, "41 years in India", "Happily"—please mark the essentially spiritual nature of the Indians and contrast it with the essentially material nature of the English,—even at that time when the country was in the throes of a revolution when Englishmen and Indians were running at each other's throats, when every one was trying to kill the other, when the Indians were trying to drive out the British people from India . . . . . .

(At this stage Mr. President vacated the Chair, which was taken by Mr. Deputy President.)

Speaking about the mutiny of 1857, this is what Lord Robert says, "Happily"—there is no need to be nervous. We are at the present moment in a mood to own the Commonwealth and to be equal members thereof with the Britishers. That is our present mood, I know, that my sons and my grandsons are in that mood now. But as I was disappointed after my Lokamanya *Guru* died, so my children will be disappointed and they will say "Oh, this fellow has become too old. A firebrand of his time in his youth has now become a moderate in his old age." I will certainly take pride if I can develop in my sons and grandsons a more martial, a more aggressive, a more materialistic spirit, and an ambition of an Empire of their own and if I succeed in it I shall have ample reason to be proud of such an achievement. "There is no happiness greater than the happiness which a teacher feels because the taught, his pupil, is proving himself superior to the teacher". That is the happiness I am feeling in my old age, because I see my young boys, my grandsons and children proving superior to me; for a Sanskrit Proverb says:

Shishyadichchheta parajayam.

Lord Robert says:

"Happily this feeling (of racial antagonism) did not last long. Even when things looked blackest for us."

—look at the spiritual eminence of the Hindus,—

"even when things looked blackest for us it was softened by acts of kindness shown to Europeans in distress and by the knowledge that, but for the assistance offered by the natives themselves, the restoration of order and the suppression of the fierce military insurrection would have been a far more arduous task."

How arduous it would have been he himself describes later on:

"Delhi could not have been taken without Sikhs and Gurkhas. Lucknow could not have been defended without the Hindustani soldiers who so nobly responded to Sir Henry Lawrence's call."

Their soul force supervened and intervened.

"And nothing that Sir John Lawrence might have done could have prevented"

—note this remark—

"our losing for a time the whole of the country north of Calcutta, had not the men of the Punjab and the Derajat remained true to our cause."

Such was the spontaneous outburst of our soul force and what did we get in return? How did the Britishers reward us? By the promulgation of what is known as the Arms Act which has emasculated us so thoroughly. But I should prefer to speak in the language of our late Commander-in-Chief, Lord Rawlinson:

"I have agreed to recommend the reduction of 3 British cavalry regiments and 5 British infantry regiments when the internal condition and the state of the Frontier admits. This is rather faster than I had intended to go in the first instance; but I could not resist the pressure when it come to considering the fact that we had 28 British and only 21 Indian battalions allotted for internal security. It was impossible to defend this proportion which dates from the post mutiny days. Now that we have decided to trust the Indians and lead them to Self-Government, we cannot justify an army of occupation." P. 295. Life of Lord Rawlinson.

Now, the Frontier is quite safe. We have our khassadars. We have made roads. We are giving the young men over there a rupee a day so that they may not feel the need to loot and they may cultivate the habits of civilised nations. So there is no fear of the Frontier now.

Now during the mutiny our people helped the British. They fought for them. The Gurkhas fought for them. The Hindustanies fought for them. The greater portion of Hindustan showed kindness to them. What is the return that we got for all this kindness? India got 28 British and only 21 Indian battalions. This is the reward that have been given to us for our kindness to the Britishers and for our help given to them during the dark days of the mutiny by which they could save their Empire in India. It means that the British troops were enormously increased beyond the real needs of India and we were made to pay crores and crores of rupees every year for their maintenance. What a waste. Can anybody challenge my statement that it is a huge waste and that 28 British battalions were beyond the needs of the defence of India. Now,—Lord Rawlinson asks—that you have decided to trust the Indians and lead them to self-government, how can you justify this army of occupation?

Lord Rawlinson further says:

"I have agreed to reduce the peace establishment of British battalions to 882; it was 1,003 in 1914."

That means that we had 1003 minus 882, that is 121 British battalions more for which we had no need. Is that not waste?

Now, let us ask a radical question. Do we really need the British soldiers for the defence of India? I will not speak in my own language. Again I would prefer to speak in the language of British Authorities. Lord Roberts our former Commander-in-Chief found that for the internal security of the country, so that no rascal might rise up in the country to subvert British rule, 36,000 British soldiers were proved to be enough to tide over the difficulties of the kind of the mutiny of 1857. Now, in this era of mutual trust, when Indians are fighting the battles of England all over the world, when science has vastly improved the Ways and Means of Communication and also the weapons of warfare, none of which are now in the possession of the Indians, is it not pertinent to ask, "Do you really need the British soldiers for the defence of India from foreign aggression?" I shall leave it to my Honourable friend, Sir Abdul Qaiyum, to reply as he may think fit from his own point of view as he did the other day. But,

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let us see what Lord Roberts says: Writing about the Umbeyala pass expedition, Lord Roberts says:

"The Expedition was an admirable school for training men in outpost duty. The Pathans and Gurkhas were quite at home at such work and not only able to take care of themselves but when stalked by the enemy were equal to a counter stalk often most successfully. The enemy used to joke with Brownlow's and Key's men on these occasions and say 'We don't want you (the Gurkhas). Where are the Lal Pagriwallas or the Gora Log (European). They are better Shikar (sport)'."

They are better Shikar, the Pathan says, the Lal Pagriwalla and the Gora log then the Gurkhas. (*An Honourable Member*: "Who is the Lal Pagriwalla?") I do not want to tell you who is the Lal Pagriwalla. Perhaps my friend the Army Secretary may prefer to enlighten you on the point. It does not matter much. What I am concerned with at the present moment is the Gora log which means the Britishers and therefore I shall deal now with the Gora logs. Pathans are born Shikaris. I have seen Pathan boys, quite kiddies coming out of their houses with their rifles on their backs going about and looking after their sheep in the mountains.

(At this stage Mr. President resumed the Chair.)

I have seen also beautiful flowers in His Excellency's garden over there. They are so lovely that one is tempted to pluck them; but does anyone feel any compunction or a bite of conscience while plucking a beautiful flower. In the same way the Pathan goes about and when he comes across a man tempting enough for the money he may have in his pockets he chops off his head with the same ease with which you may pluck a flower from the Viceroy's garden. (*An Honourable Member*: "Has he got spiritual force too?") Yes, he had but 900 years ago when the Pathans were Hindus like us Brahmins, Kshatriyas, Vaishyas, etc. If you will read the history, you will find that in Kabul and Kandahar upto 1,020 Brahmin kings and Kshatriya kings were the rulers. They were our own blood relations and we did not have in those days the caste-ridden society as we have now. So, Afghanistan is a country which is a province of India being populated by our own kith and kin, though they may call themselves Mussalmans now. Just as an Englishman in England may be a Christian or a Mussalman or a Hindu and yet he is an Englishman and none else than an Englishman pure and simple. The only thing that is required is that we should begin to recognise them and own them as our own and they should begin to do similarly and as this consciousness shall grow the Bureaucracy will lose all their trade in India and will then begin to imbibe the spiritual force from us. Lord Roberts further on says:

"The tribesmen soon discovered that the Sikhs and the Europeans, though full of fight, were very helpless on the hillside and could not keep their heads under cover."

We have the Gurkhas and the Marathas to fight battles on hilly and mountainous country; the Sikhs, the Jats, the Rajputs in other places; then where comes in the need of British soldiers? And what is the immunity we have got after spending such huge sums ever since the British came here? The military threat from the North-West Frontier is perpetually kept before us. My friend Mr. Coatman is not here. Perhaps

he has resigned and is going away to England. But his book on India which he has written for presenting to the Parliament has been very useful to me. His latest report is for 1928. According to him, after spending so many crores, what immunity we have got is somewhat as follows: "The Indian Government have conducted 17 active operations against the Pathans since 1852." That is to say, on the average about one expedition in every four or five years during the last 75 years; "and four expeditions since 1911". And what was the immunity that India had when our friends the Sikhs were the rulers of Punjab? And, mind you, they did not have such a wealth to spend. They did not have the machine guns or the aeroplanes; neither did they have electricity or steam to serve them. They did not have the whole of India behind their back. It was a small province and so long as that province was governed by the Sikhs, there was no military threat from the Frontier. The Pathans recognised their brother Sikh as their equal. And, though there were skirmishes between these two equals, each respected the power of the other and therefore peace was maintained. And yet Mr. Coatman says in his Report that the British people did not receive any kind of sound frontier policy as a legacy from the Sikh kings. Well, I do not know that. It may be that none is so blind, as one who will not see; but I see a very clear and sound policy which the Sikhs were following. Not only do I see it but I have been trying my very best to get the Government to give effect to that policy. And what was that policy? It was this that if every Pathan a boy, a young man or an old man was a sharp shooter and knew well how to wield the sword, so was every Sikh in the Punjab, and thus they were both equalised. And that is the reason why ever since I have been in this Assembly I have been impressing upon the Government the wisdom of the Sikh policy. Wisdom does not lie in spending crores and crores in maintaining a standing army of the Britishers which cost us five times more than an army of Indian soldiers on the frontier to protect us against the threat of hardly 7 lakhs of people over there in the Hills armed with only 140,000 modern rifles. You are today much better furnished than the Sikhs. You have machine guns, heavy artillery and aeroplanes. Sikhs had none of these and they were merely a handful compared with what you have in your support throughout the whole of India. I say take a lesson from the Sikhs who ruled in the Punjab and initiate that policy here. Your policy should be that every boy in India between the ages of 10 and 20 should undergo compulsory physical training, military drill and rifle practice. This is the only remedy for the so-called perpetual threat of the North-West Frontier, and there is no other, so cheap and yet so radical. Every boy should be made to undergo this training so that when he grows up to be a man of 20, we shall have more than three crores of people in India ever ready to defend their country. Will there be then any trace even of the threat of which so much is made? You may not know how many crores of soldiers we will thus have but if I calculate them here as I have been calculating in my speeches outside this House, we shall have trained fighters between the ages of 20 and 50 to the tune of more than 8½ crores. India's population is estimated at 30 crores. Leave aside 15 crores of females. Out of the remaining 15 crores of males, leave aside also 5 or 6 crores of children and boys below the ages of 20 and also an equal number above the ages of 50 years. You have thus from 3 to 5 crores of young men between the ages of 20 and 50 who, if trained, as I suggest, will reduce the Frontier threat to nil. Will not these from 3 to 5

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crores of trained young men be able to stand against 7 lakhs of Pathans? In that case we can employ the Sikhs, the Jats, the Rajputs for our warfare on the plains of India, the Gurkhas and the Marathas on the hills and the mountains.

After all this, I am tempted to quote one more instance to give you an idea of the immunity that we are receiving. Mr. Coatman says in his book:

"The Third Afghan War in 1919 sent along the whole frontier a new wave of unrest which broke in Waziristan in the bitterest and most determined fighting which the Government of India ever had to undertake on the North-West Frontier Province."

Well, Sir, after spending so many crores, after having been ruling in India for nearly 150 years, or at least 100 years the British people found out as late as 1919 that the Waziri really revels in fighting, that shooting a man is a mere pastime to him. I do not say that the result of the Afghan war of 1919 in so far as it culminated in the acceptace of independence of Afghanistan was a bad thing in itself; but the defeat of our army over which we have spent crores and crores is not a thing to be proud of. I do not say that will always happen. But we can at least say that money will not give us the immunity if it is not spent on the training of the people as suggested by me. You must train the children of the soil who shall always stand by you, who shall stand by the Indian Empire and who shall form the bulwark of defence against any military threat of any country that may dare cast an evil eye on India. Also about the result of the modern development of warfare, Mr. Coatman has given a very nice instance, which I am tempted to quote. I hope the House will bear with me for a little while, for I have not been getting enough time within the twenty minutes allotted during the general discussion of the Budget to say all that I have to say to my heart's content. I do not know whether I shall again be coming to the Assembly, and so I request the House for, and I hope the House will allow me, some latitude to speak at length. I hope that I am not boring any one.

Several Honourable Members: Go on.

Dr. B. S. Moonje: Mr. Coatman says:

"In June 1927 certain sections of the Mohmand tribe crossed the border and attacked the British post line."

(At this stage, Pandit Madan Mohan Malaviya entered the House and seated himself in one of the back benches behind Dr. Moonje.)

I wish the Honourable Member, Pandit Madan Mohan Malaviya, would come and sit in his usual seat in front of me, for I get inspiration from the reverential Pandit.

(The Honourable Member complied with the request.)

Now that my Elder has occupied his usual seat, it gives me great inspiration. I have known only two persons in all my life before whom

my head bowed spontaneously. One was the late Lokamanya Tilak, and now Pandit Madan Mohan Malaviya. Well, Sir, coming to Mr. Coatman's book, he says:

"In June 1927 certain sections of the Mohmand tribe crossed the border and attacked the British post line. Air action was taken against these hostile tribesmen and they were dispersed after suffering about 30 casualties. The Royal Air force incurred no casualties and the ground troops which had been gathered had no need to go into action owing to the refusal of the enemy to show himself after his introduction to the Air force."

I am reminded here of one little action fought during the Third Mahratta War. The military drill and discipline on modern lines was not known to us then but it was found to be so very effective that a company of 3,000 Indian soldiers trained by British officers stood their ground for three hours against the Peshwa's soldiers. I may profitably repeat here what I had quoted in my speech on the Budget, British General Sir Ian Hamilton's words. He said:

"A thousand men standing up in the open with arms in hand, each anxious to fight himself but each uncertain of how far his fellows meant to fight, were liable to be scattered like chaff by a mere handful of soldiers hypnotised by habit into responding as one individual to the order of their Sergeant."

That had happened to the Peshwa army during the Third Mahratta War, and here is an instance of how a few aeroplanes cowed down a body of well known sharp-shooters, determined fighters, fanatic fighters, known throughout the world for their fighting capacity, being armed only with rifles. Having noted this fact, Mr. Coatman's soul and spirituality were also quickened. He says:

"Though the circumstances were perhaps too unusual to permit the drawing of sweeping conclusions, food for thought is given by the swiftness with which this minor campaign was brought to an end and also by the fact that the rising was suppressed with no casualties on the side of the Crown forces and very few on the side of the enemy."

Is not this most demoralising? The biggest fighter he may be, the most determined fighter he may be, but if he is not armed as his enemy is, after a time he gets demoralised. When a man has only a *lathi* to fight with, and if he is pitched against a man with a modern rifle, what can he do? I say that at the present time the only weapon with which our neighbours the Pathans in the trans-frontier country are armed is the modern rifle, and as against them you have got your modern air force, you have got all these scientific implements of war. Therefore, I ask can you justify this huge yearly expenditure of 55 and more crores of rupees that you have been spending up to now? Therefore, I think I am fully justified in saying that the Government of India is wasteful in its policy—heartlessly wasteful.

Now the second charge of mine against the Government of India is lavish extravagance.

An Honourable Member: That nobody questions.

Dr. B. S. Moonje: I will give you only one instance and that ought to suffice. It is an instance of money spent on what is called civil aviation. In this year's Budget you have provided 24·5 lakhs of rupees. Up to now

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from the time the hobby of civil aviation had taken hold of the Government, nearly a crore of rupees has been spent and yet to the children of the soil it has offered no advantage. I submit that from our point of view this civil aviation is a hobby, a luxury. But I think I am not wrong in saying that, in spite of the fact that you have spent such a huge sum as 80 lakhs, nearly a crore of rupees on civil aviation, still you have not got one single school for the training of Indians either in civil aviation or military aviation. Look at Japan. Japan sent only two of its men to Europe and got these two of their nationals trained there and they brought with them back to Japan two European expert officers to train their countrymen in aviation, and like a magic, in a few years Japan has raised an effective Air Force and established civil aviation, which had made Japan a power to count. The whole money that was spent in rearing up that force in Japan was spent among the Japanese. But here, we have been crying ourselves hoarse, at least I have been crying myself hoarse for the last three years; will the Government of India be pleased to grant us, as a concession, air force training to our Territorial forces? If not to the Territorial forces in general, at least to the University Training Corps, which are composed of well educated people, who are graduates and who are in every way equal to the Britishers in intelligence and some even superior to them as regards bodily development? This has been my question to the Government. I pause for a reply on the floor of this House. Let any body examine these University Training Corps boys and if they are found fit, why don't you choose them and give them training? How many people are you going to train if you insist on sending them to England? I do not think up to the time of the last November examination, you sent even one man to England for training in the Air Force. It was merely a fortunate circumstance that at the last November examination we were successful in selecting six men.

And now let us see what is being done in England in this respect. The whole of England's air forces have been a growth practically of the last 15 or 16 years. I am giving the authority of no less a person than Brigadier General Thompson, the Secretary of State for Air in England. He said that, before the war, the ordinary private people used to make experiments and used to build aeroplanes and flying ships and other things. When the world war broke out and when they found that the Germans were effectively using aeroplanes against them it was then that a tremendous impetus was given to aeroplaning. Money was lavishly spent in building aeroplanes and thus the whole air force of England is a growth of hardly 16 years. In India lakhs of rupees have been spent in the last 5 or 6 years and we do not yet see anything tangible for us. If you go to England now you will hardly find one or two Indian boys,—there will be six boys at the end of next October,—receiving air force training there. England has made a great name as a great military power in Europe and therefore it can be said that there is no such military threat to England as is said to exist for India. And yet what does England do for being ever prepared for any emergency? Brigadier General Lord Thompson, Secretary of State for Air says: "One thousand boy apprentices are required every year by the Royal Air Force". We here have got a concession of sending two boys yearly from 1928 and a proportionate increase in number every year. I do not know what would be the proportionate

increase in number of boys over two. If the proportion of yearly increase of 4 to 20 boys fixed for the Sandhurst be taken as a guide then, I do not think we can have an increase of more than one-third of a boy every year. And in England one thousand boy apprentices are required every year by the Royal Air Force. Says Lord Thompson:

"Boys of promise between the ages of 15 and 17 are accepted; they are drawn mainly from the secondary schools, technical schools, continuation day or night schools. Entry is by competitive examination for the majority of candidates except in the case of a limited number of boys whose fathers' services entitle them to exemption."

And now look at the care with which these boys are trained. You will see with what fatherly care these British boys are trained in England.

"All skilled Air Force tradesmen are taught a basic trade to ensure them as far as possible against unemployment when their term of service has expired. Boys are accepted between the ages of 15 and 17 and whenever possible, their own wishes and those of their parents in regard to choice of trade are followed."

He further says:

"Thus it is possible for a boy to receive a good technical training and general education at practically no cost to his parents; then to enter a Cadet college where the normal charges are almost entirely remitted; and eventually to get his feet on the bottom rung of a ladder by which he can climb to the highest rank."

So the British boy receives his training in the Air Force practically without any cost, and we in India had to pay 80 lakhs or a crore up to now for civil aviation and an Indian boy's parents are required to spend more than Rs. 7,000 for his training in England. Similarly an Indian boy in the Dehra Dun Military College has to pay a fee of Rs. 155 per month for a training course of 7 or 8 years—what extravagance this! I am determined to see that this is stopped and that an arrangement is made that the monthly fee in the Royal Military College at Dehra Dun does not exceed 50 or 60 rupees.

Mr. President: How will the Honourable Member see to it?

Dr. B. S. Moonje: God is great and my hope is great; there is a spiritual soul on one side and there is a material soul on the other. They will accommodate themselves some how to bring about this change.

I am reminded here at this stage of a little incident that had happened on the floor of this House three years ago. When I was an inexperienced man in the Assembly and when I had not had much reading of the subject, I found through what little I had read at that time, that in other countries civil aviation and military aviation are interdependant so that boys trained in military aviation can go to join civil aviation, and boys trained in civil aviation would form reserve forces in the military. That was my information at that time, but our Honourable friend Sir Bhupendra Nath Mitra at that time contradicted me. At that time I was inexperienced and I had not got full facts and figures with me. But I have got them now and I am going to present them to my Honourable friend. I am placing before my Honourable friend

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what Brigadier General Lord Thompson, the Secretary of State for Air in England, says:

"In Great Britain the Air Ministry is responsible for much more than the Air Force; it exercises a measure of control over aviation in all its branches. . . . Military and civil aviation are closely interpendent and an efficient Air Ministry will reflect this condition."

Therefore I said at that time that my Honourable friend over there who is in charge of civil aviation should make friends with the military authorities and see that civil aviation and military aviation are made inter-dependent in India.

The Honourable Sir Bhupendra Nath Mitra (Member for Industries and Labour): Sir, as my Honourable friend, Dr. Moonje, has been specifically referring to me, I think it is only desirable that I should tell him what, to the best of my recollection, I placed before him at that time. The Air Force as it is now constituted in India cannot produce an Indian service suited for civil aviation. If we had an Indian Air Force with a reserve service, things might be different. On the other hand, if we develop civil aviation we may be able to create a number of reservists which will be useful from the point of view of military aviation when an Indian wing of the force is started. But at the present moment there cannot possibly be any inter-dependence between the two in India.

Dr. B. S. Moonje: That is exactly what I was saying and I was appealing to the Honourable Member at that time to make friends with the military authorities and bring it home to them that it is in their interests that civil aviation should develop in India in conjunction with military aviation. If he had used his position in the Cabinet, perhaps his voice would have carried greater weight than mine. Brigadier General Lord Thompson, Secretary of State for Air, says:

"In this connection likely casualties in aerial warfare will be as high as 80 per cent. per month. . . . "

This is worthy of note because you want to relieve India of the perpetual military threat:

"In this connection likely casualities in aerial warfare will be as high as 80 per cent. per month in pilots and machines and obviously no ordinary system of reserves to replace losses will meet attrition on this scale and if a nation were to depend entirely on the standing Air force to meet the exigencies of a war, say, for the first six months, it will have to maintain in time of peace nearly five times the air force considered requisite for national defence at the beginning of hostilities. The expense for training and maintaining this standing air force in peace time will be so heavy that no nation, not even the United States is rich enough to finance such a policy. . . . "

It is this thing that I am trying to impress upon the Government, that however much India will be milched of her crores every year, no amount of money will be found sufficient if it is desired to make India free from the military threat so far as the air force is concerned. Then:

"Another solution has therefore to be sought and one of the most promising avenues of approach to it is the encouragement of air craft manufacture and Civilian aviation."

So, I say whatever money on civil aviation, 80 lakhs or a crore of rupees, has been spent during the last 5 or 6 years has been wasted, sted, wasted

The Honourable Sir Bhupendra Nath Mitra: If I may interrupt my Honourable friend again, the bulk of the money which has been spent, has been spent on ground organisation and that ground organisation would have been required in any case. In fact, we are more or less compelled to incur that expenditure on account of our international obligations.

Dr. B. S. Moonje: Not that I have not got intelligence enough to understand it. I have been a member of the Advisory Committee of the Honourable Member's Department. But, Sir, there are illustrations and instances for us to copy. That was not done in Japan. What was done in Japan was, the boys were trained along with that ground engineering work. (Hear, hear.) Was that done in India? Why was ground preparation done by British engineers imported from England? Is it meant to convey that India cannot produce engineers? There is the Roorkee College and I am even prepared to say that you can import one expert engineer from England and have the other engineers from the Roorkee College under him. Japan is doing that.

The Honourable Sir Bhupendra Nath Mitra: That is precisely what is being done. In the Civil Aviation Department we have got one Royal Engineer, who is the expert adviser. Otherwise the work is done through the agency mostly of Provincial Governments and therefore largely through Indian engineers.

Dr. B. S. Moonje: I am sorry I did not anticipate this thing. Otherwise I would have given figures for the edification of the Honourable Member. Now I charge the Government . . . . .

Mr. President: He can charge the Government only for five minutes more.

Dr. B. S. Moonje: Only five minutes, Sir? Not half an hour? Or shall I continue tomorrow? From my point of view I think this is very important, and I might continue tomorrow.

Mr. President: How long are you going to take?

Dr. B. S. Moonje: Till I have done, perhaps. (Laughter.) Because this is exactly what I wanted to say, and I was waiting for three years for an opportunity to place before the House everything connected with the peculiar ways of the Army Department.

Mr. President: I will allow the Honourable Member to speak up to quarter past Five. Will it suit him?

Dr. B. S. Moonje: I think my suggestion might be accepted.

Mr. President: Then the Honourable Member will come prepared with fresh facts?

Dr. B. S. Moonje: Yes.

Mr. President: I think we had better continue.

Dr. B. S. Moonje: Now, I am speaking about the utter irresponsibility of the Government of India. From the constitutional point of view, my friend, Mr. Kelkar, dealt with it fully the day before yesterday. I am looking at it from the point of view of the Shea Committee's Report and the Skeen Committee's Report. In 1928, 20 vacancies were conceded to the Indians for Sandhurst and it was said that 4 additional vacancies yearly would be granted. So in 1928 the vacancies were said to be 20, and in 1929 the vacancies should have been 24 if this part of the Skeen Committee's recommendations had been really given effect to. If I remember right, my Honourable friend, Mr. Young, said the other day that the Government had accepted all the recommendations of the Skeen Committee except two, that is the Sandhurst for India, and the other about the abolition of the 8-unit Scheme.

Mr. President: Will the Honourable Member promise that he will not take more than half an hour tomorrow?

Dr. B. S. Moonje: Yes.

Mr. President: Not more than thirty minutes?

Dr. B. S. Moonje: Yes, I promise.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 20th March, 1930.

LEGISLATIVE ASSEMBLY.

Thursday, 20th March, 1930.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

MEMBERS SWORN.

Kumar Ganganand Sinha, M.L.A. (Bhagalpur, Purnea and Santhal Parganas: Non-Muhammadan) and Mr. G. S. Hardy, M.L.A. (Commerce Department: Nominated Official).

SHORT NOTICE QUESTIONS AND ANSWERS.

DECISION OF THE BRITISH GENERAL MEDICAL COUNCIL NOT TO RECOGNISE MEDICAL DEGREES OF INDIAN UNIVERSITIES.

Dr. B. S. Moonje: (i) Will Government please state if they have seen the news as published in the *Hindustan Times* of 17th March, 1930, page 6, at the top of fifth column, which is as follows:

"The *British Medical Journal* announces that the Executive Committee of the General Medical Council (of England) has decided to refuse to recognise for the time being the medical degrees of Indian Universities"?

(ii) If so, will Government please state if it is a fact and, if so, the reasons thereof?

(iii) Are Government aware that, up to last year, medical degrees of some of the Indian Universities, such as those of the Universities of Madras, Bombay, etc., were recognised as registrable by the General Medical Council of England?

(iv) If so, what has happened in the course of the last year which has led the General Medical Council to come to their above decision?

(v) What do Government propose to do to establish amicable relations between the General Medical Council of England on the one hand and the Indian Universities and the Indian Medical profession on the other?

Sir Frank Noyce: (i) Yes.

(ii) The Executive Committee of the General Medical Council has decided that, in the absence of authoritative information regarding the medical qualifications of the Universities of Bombay, Calcutta, Lucknow, Madras and the Punjab, it is unable, for the time being, to recognise the medical degrees of these Universities as furnishing details of guarantee of possession of requisite knowledge and skill for the efficient practice of medicine, surgery and midwifery in Great Britain.

(iii) Yes.

(iv) Since 1922, the recognition of Indian medical degrees by the General Medical Council has been dependent upon periodical inspection of examinations. The Council, however, came to the conclusion that isolated reports on final examinations had proved, after repeated experience, to be inadequate to enable it to satisfy itself on all important matters, on which it was its statutory duty to be satisfied before assuming the responsibility of recognition for purposes of registration. Pending the confirmation of the appointment of a Commissioner of Medical Qualifications and Standards, the Council agreed to continue recognition until the meeting of its Executive Committee in February, 1930. The Council has now withdrawn this conditional recognition.

(v) The situation which has arisen is engaging the earnest attention of Government.

Dr. B. S. Moonje: Have Government seen the answer given by the Minister of the Bombay Government in the Bombay Legislative Council yesterday which is as follows:

"The Government of Bombay alone objected to the appointment of a Commissioner, but subsequently agreed to the appointment as a temporary measure on the Central Government undertaking to give full consideration to the wishes of the Government of Bombay as regards any permanent arrangement."?

Sir Frank Noyce: I have not seen that statement, Sir, but the substance of it is perfectly correct. Might I submit to you, Sir, that there is another short notice question on the paper put by my Honourable and gallant friend, Colonel Gidney, and that it might be convenient if I answer that question before answering further supplementary questions?

Mr. President: Colonel Gidney.

DECISION OF THE BRITISH GENERAL MEDICAL COUNCIL NOT TO RECOGNISE MEDICAL DEGREES OF INDIAN UNIVERSITIES.

Lieut.-Colonel H. A. J. Gidney: (*a*) Has the attention of Government been drawn to the issue of the *Daily Chronicle*, dated 16th March, regarding the decision of the British General Medical Council to refuse, for the time being, recognition of the medical degrees of Indian Universities?

(*b*) Will the Honourable Member in charge of the portfolio be good enough to inform the House what the Government of India intend doing under the circumstances, especially in connection with the creation of an All-India Medical Council?

(*c*) Will Government be good enough to place on the table all the correspondence that has passed between it and the Secretary of State for India on this subject?

Sir Frank Noyce: (*a*) Yes.

(*b*) Government have so far received by telegraph only the text of the resolutions regarding Indian medical degrees passed at the meeting of the Executive Committee of the General Medical Council on the 24th February. They will decide what action should be taken when they are in possession of full papers, which are following by mail. Meanwhile I can assure the Honourable Member that every endeavour will be made to proceed with the proposal for the establishment of an All-India Medical Council without avoidable delay.

(*c*) A copy of the relevant corespondence is placed on the table of the House.

Letter from the General Medical Council to the India Office, No. 112, dated the 12th June, 1929.

Referring to your letter of 14th February, 1929, on the question of the appointment of a Commissioner of Medical Qualifications and Standards, and to the accompanying letter from Mr. Bajpai, the Secretary to the Government of India, of 17th January, 1929, which were considered by the Executive Committee on behalf of the General Medical Council on 25th February, 1929, I beg leave again to call your attention to the resolution of the Executive Committee then adopted and communicated to you.

The several individual reports proposed in paragraphs 1 and 2 of Mr. Bajpai's letter have now been received, and will be dealt with in July.

With regard to paragraph 3 the Committee resolved as follows:

> "That the important matters referred to in para. 3 of the Government of India's letter will be subject to a further communication from the Council; but, in the convinced opinion of the Council, the only satisfactory solution to the difficulties of inspection of Medical Colleges and qualifying examinations of Indian Universities, until an All-India Medical Council is constituted, is the appointment of a whole-time Commissioner of Medical Qualifications and Standards by the Indian Government."

This "convinced opinion" was communicated to you in due course, and we gather from your letter of 21st March, that it was referred to the Government of India. We are still awaiting a reply. As regards the "further communication from the Council" indicated in the Resolution, this was intended, should the Government of India still hesitate to offer if necessary the special reasons for our inability to accept, as a satisfactory alternative, the continuance of a series of reports from one or more part-time Inspectors of Final Examinations only. The following are the considerations referred to.

1. The duty of the Council, imposed by statute, is to ensure that the curricula and degrees, which it recognises for British registration, shall be such as to furnish a sufficient guarantee of the requisite knowledge and skill for the efficient practice of Medicine, Surgery, and Midwifery in this country.

2. In order that it may fulfil this duty in this country it is empowered by law to appoint visitors and Inspectors to report on *all* the subjects of the curriculum required by the Home Licencing Bodies. These visitations are continually going on, and thus the Council is enabled to ascertain and to judge of the nature scope and methods of medical education in operation throughout the country, as well as the standards of examination in *all* the professional examinations.

3. In India the Council has no similar powers and the duty of furnishing the necessary guarantee would appear to devolve on the Indian Government indeed *continuous* supervision of medical quailfications and standards, carried out by means of visitations of colleges, as well as by inspection of examinations has now been shown to the satisfaction of the Council, to be necessary for the fulfilment of its functions in respect of Indian degrees. Isolated reports on the final examinations have proved, after repeated experience, to be inadequate to satisfy the Council on all-important matters on which it is its statutory duty to be satisfied before assuming the responsibility of recognition for purposes of registration.

4. The advances in Indian Medical Education which have been noted since 1922 have, the Council is assured, been stimulated and guided more by the visitation of Medical Colleges, and by the free discussion with University authorities, rendered possible by the visits to India of Sir Norman Walker and of Col. Needham, than by any other single factor, repeated inspection of qualifying examinations not excepted.

5. Such visitation of Colleges and discussion with Universities is still, we believe, urgently necessary if the advances noted are to be maintained. The reports of the Inspectors received in the last two years reveal deficiencies which would not be tolerated in this country, and which might and indeed ought to be removed under the counsel and direction of an official Commissioner, impartial as between the provinces, and familiar with home standards and methods. His whole time would properly be occupied with this work, and with the inspection of Final Examinations. The latter might quite well, as in this country, be spread over two years if necessary.

6. The reports of such a full-time Commissioner, authoritative, fully informed, and impartial would be received by the Council with full confidence as a basis of action; and the Commissioner would be continually accessible for dealing with communications on particular points on which the Council desired further information. This advantage is not afforded by the appointment of *ad hoc* part-time Inspectors.

7. The Council, seeing that the question of continued recognition of Indian Medical Degrees comes up for decision in July next, and that satisfactory materials for such a decision are not provided by the reports of theInspectors before it, again urges upon the Government of India the expediency of appointing a whole-time Commissioner with the express duty of visiting Medical Colleges, of inspecting professional examinations, and of furnishing to the Council, through the Government of India, the guarantees that are indispensable for the due fulfilment of its statutory duties. These guarantees would incidentally be of great value to the Government of India in respect of the medical services which are central rather than provincial in their nature and extension.

Telegram from Viceroy, Education Department, to His Majesty's Secretary of State for India, London, No. 2973, dated the 1st October, 1929.

Your telegram dated 25th September, 1929. Appointment of Commissioner of Medical Qualifications and Standards. As expenditure was for a new service within meaning of rule 50 (1) (ii) of Indian Legislative Rules, demand for grant of a token sum was submitted to vote of Legislative Assembly on 25th instant, although Standing Finance Committee by majority of votes had not agreed. Demand was strongly opposed by Congress and National Parties who preferred establishment of All-India Medical Council, and did not consider creation of post of Commissioner as matter of urgency. They desired that question be postponed for consideration to next Delhi session. Explanation that interests of Indian medical students were at stake and that local Governments who were primarily concerned had agreed to creation of post on temporary basis and to divide expenditure among themselves did not satisfy opposition. Prolonged discussion took place. Debate had not concluded when President adjourned the House at 4-30 P.M. and therefore no decision by Assembly could be taken this Session. Proceedings of debate will follow by mail as soon as possible. In view of the turn events have taken we are considering what action is now feasible. It is clear that Standing Finance Committee having by majority of votes rejected the proposal, and in view of strong opposition in Assembly, no expenditure from Central revenues can be incurred. Needham should not, therefore, sail to take up new appointment until you receive further reference which we hope to communicate shortly.

Letter from General Council of Medical Education and Registration of the United Kingdom, to the India Office, No. 1515, dated the 9th October, 1929.

The Council has learned with concern of the difficulty which has arisen in connexion with Colonel Needham's departure for India as Commissioner for Medical Standards and Qualifications I am instructed to point out that the delay makes the position very serious for India. At the meeting of the Executive Committee on July 22nd, 1929, the President was able to assure the Committee that the communications received from the India Office showed that the procedure for the appointment of a Commissioner was well advanced and would speedily be completed. On the strength of this assurance from the President, the Committee adopted the following *Resolutions*:

1. "That the Government of India be informed through the India Office that the Council are gratified to find that their proposal for the appointment of a full-time Commissioner to perform the duties set forth in the President's letter of June 12th, 1929, has been agreed to; and that the India Office be informed that the Council, pending the confirmation of the appointment of the Commissioner, have agreed to continue to recognise the degrees of the Universities of Bombay, Calcutta, Madras, Lahore and Lucknow until the meeting of the Executive Committee in February, next. (Page 6, July, Minutes.)

2. "That the recognition of the degrees of the Universities of Bombay, Calcutta, Lucknow, Madras, and Punjab be continued until the meeting of the Committee in February, 1930; but that recognition cannot be extended to the degrees of Patna University and the University of Rangoon pending the receipt of reports thereupon from the Commissioner of Medical Qualifications and Standards. (Page 43, July Minutes.)

When it was learned that Colonel Needham had received the offer of appointment as Commissioner on the 12th September, and learned later from Colonel Needham that he had accepted it, it was naturally assumed that matters would go straight forward, and that the conditions laid down by the Executive Committee would be fulfilled. Colonel Needham has booked a berth on the "Morea" leaving Marseilles on November 1st, which would get him to India in time to be present at the November and December examinations of certain Universities, and he was expected to be able to report on these to the Executive Committee in time for the February Meeting.

Unless prompt steps are taken to authorise the Commissioner to proceed to India as arranged so as to be in a position to furnish the Executive Committee with Reports and thus enable them to come to some decision in February, the position in regard to the recognition of Indian degrees will be similar to that occupied by Calcutta in 1924. The recognition of Calcutta degrees was then made conditional on a satisfactory report from the Inspector. The University thought fit to refuse his admission to their examinations, and the recognition lapsed. The Council in February, failing the authoritative information necessary for its statutory guarantee of efficiency, will have no choice but to allow its conditional recognition of all Indian medical degrees to lapse also; and those degrees will *ipso facto* cease to be registrable in the British Register. The responsibility for this grave result will lie with the Indian authorities. In the interest of Indian medical education the Council strongly deprecate it, but if the present position is not immediately rectified they will be unable, in consonance with their statutory duties and powers, to avert it.

Letter from the General Council of Medical Education and Registration of the United Kingdom to the India Office, No. 2449, dated the 6th December, 1929.

As promised by the Registrar of the General Medical Council, I brought your communication from the Secretary of State for India, of date 15th October, 1929, intimating the cancellation of the appointment of the Government Commissioner of Medical Qualifications and Standards, before the Executive Committee of this Council during the Session which closed on 30th November, 1929.

The Committee approved the terms of my letter to you of 9th October, 1929, written on its behalf, and instructed me to refer you to this letter, and to my letter of 12h June, 1929, addressed to the Secretary of State, for the grave reasons that have moved the Committee in suggesting that, in the best interests of India, such a temporary appointment is necessary, pending the establishment of an all-India Medical Council.

The Executive Committee is satisfied that, as the situation created by the cancellation now stands, when it meets in February 1930 to consider requests from Indian Universities, that their medical degrees shall in future be held to be registrable as qualifying for practice in this country, it cannot have before it the necessary authoritative information concerning the actual standards of their examinations, and the professional qualifications of their graduates. The evidence before the Committee shows that the mere possession of an Indian Medical Degree does not, by itself, ensure the possession of a qualification equivalent to the minimum qualification accepted in this country.

In the absence of such essential guarantees the Executive Committee cannot, consistently with the Medical Act, 1886, do other than withhold its statutory recognition from these degrees.

When the Government of India is in a position to supply such guarantees, by means of satisfactory reports from a Commissioner of Medical Standards and Qualifications, or from a legally-constituted India Medical Council, the Executive Committee, which, while it is sincerely concerned for the interests of medical education in India, is by law required to maintain the standard of qualifications admitting to the Medical Register for practice at home, will give applications from Indian Universities, transmitted by the Government of India, its careful and sympathetic consideration.

With reference to the proposed *ad interim* inspection of Rangoon University, the Committee has resolved that this University must be dealt with on the same lines as the other Indian Universities, and at the same time, namely, in February, 1930.

It has already been intimated to the Government of India (see my letter of 12th June, 1929) that separate Inspections by Inspectors appointed *ad hoc*, without reference to any common standard comparable with our own, are found to be no longer adequate for the purposes of the Committee.

I take the opportunity of forwarding, for the information of the Government, a copy of my *Presidential Address to the Council* at the opening of its recent Session, in which the question of Indian Degrees was dealt with at some length.

Telegram from His Excellency the Viceroy, Education Department, to His Majesty's Secretary of State for India, London, No. 42, dated the 6th January, 1930.

Continuance of recognition of Indian medical degrees. Local Governments now agree that the only solution of present difficulties is to be found in establishment of all-India Medical Council. We are most anxious to proceed with legislation with least possible delay but, in view of intricacy of subject and necessity for alterations in the Bill as originally drafted to meet criticisms and suggestions received from various quarters, on which it will probably be necessary to consult Local Governments it will not be possible to introduce legislative measure this session. We have given most careful consideration to arrangements which should be made to tide over interval which must elapse until statutory Medical Council is created. Appointment of Commissioner of Medical Qualifications appears to us out of the question in view of strong opposition to proposal manifested both in the Assembly and outside it. Conference of Indian Universities which met at Delhi in October, recorded view that appointment of Commissioner was not in consonance with best interests of medical education in India. It is clear that non-official opinion is very definitely against proposal and in these circumstances we do not consider it desirable to re-open question.

2. Conference of Universities recommended that pending creation of Indian Medical Council a Board consisting of representatives of Government of India and of Medical Faculties of Universities should be appointed immediately as temporary measure for determining and supervising medical qualifications and standards in Indian Universities. We regard suggestion as sound and agree that it is necessary to appoint a Board as preliminary to Indian Medical Council to be created by Act of legislature. We therefore propose to establish Board consisting of our D. G., I. M. S. as President and one representative from each Medical Faculty of Universities in India as members. Board will appoint three Inspectors who will be specialists in their own subjects, namely, medicine, surgery and midwifery respectively, for the purpose of carrying out inspections and reporting on standards of medical education and examinations. Reports of Inspectors will be submitted to and considered by Board which will decide whether guarantee should or should not be given to General Medical Council that possession of medical degrees of a particular Indian University ensures possession of minimum qualifications accepted for registration in Great Britain. As there is little doubt that members of Board and Inspectors will all possess qualifications obtained in Great Britain, they will be in position to make satisfactory comparison between standards in India and those in Great Britain, and we trust guarantee furnished by Board which will be authoritative and competent body, will be acceptable to General Medical Council.

3. Before moving further in matter of constitution of temporary Board we should be glad if action which we propose to take could be intimated to General Medical Council and to be informed urgently of their probable attitude to proposal.

Telegram from Viceroy, Education Department, to His Majesty's Secretary of State for India, London, No. 544, dated the 17th February, 1930.

Immediate. Recognition of Indian medical degrees. Medical Examinations of Rangoon and Patna Universities commence on 27th February and 12th March, respectively. There will not be enough time to arrange for inspection of these examinations under the arrangements suggested in our telegram 42, dated 6th January, on assumption that proposal to create temporary Board meets with approval of General Medical Council. It is accordingly proposed that these examinations should be inspected by *ad hoc* Inspectors whose reports would be submitted to the Council as has been done in case of examinations of other Universities in past. We suggest that if General Medical Council is agreeable Sir Frank Connor should inspect Rangoon examinations and Lieutenant-Colonel Bradfield Patna examinations. Both Officers have inspected medical examinations on behalf of General Medical Council before and are well qualified. We shall be glad to be informed immediately whether General Medical Council agrees as otherwise it will not be possible for Connor to reach Rangoon by 27th. We would express our earnest hope that General Medical Council will accept this temporary expedient.

Medical examinations of other Universities will be held not earlier than April, and it should be possible to arrange for their inspection under new arrangements of General Medical Council agrees to these at its Executive Committee's meeting on 24th February.

Telegram from His Majesty's Secretary of State for India, London, to Viceroy, Education Department, No. 840, dated the 8th and (received 9th) March 1930.

Immediate. Indian Medical degrees. Following Resolutions were adopted at meeting of Executive Committee General Medical Council on February 24th. *Begins.*

(1) That in absence of authoritative information respecting Medical Qualifications and Standards, Bombay, Calcutta, Lucknow, Madras and Punjab Universities, Executive Committee is unable for the time being to recognise Medical degrees of these Universities as furnishing details of guarantee of possession of requisite knowledge and skill for efficient practice of medicine surgery and midwifery in this country and that accordingly conditional recognition hitherto granted to these degrees has now lapsed.

(2) Proposal of Government of India to appoint temporary Board contained in India Office letter of January 11th, 1930, has been carefully considered but Executive Committee is unable to accept proposal(s) as furnishing satisfactory method of supplying Council were authoritative information on medical qualifications and standards in India and with necessary guarantee of sufficiency.

(3) Executive Committee has carefully considered proposal of Government of India to appoint temporary Inspector(s) for qualifying examinations of Rangoon and Patna Universities but find it undesirable for reasons given in Presidents' letters of June 12th and December 6th, 1929, to renew the practice of approving appointment of separate inspector(s) which it has already found inadequate for the purpose of ascertaining sufficient standard for Indian Medical degrees actually required and enforced by Universities. *Ends.*

Papers are being sent by next Air mail.

Lieut.-Colonel H. A. J. Gidney: Will the Honourable Member be good enough to place on the table of the House or in the Library a copy of the minutes of the proceedings of the Conference that took place last July between the Government of India and the Ministers of the Provincial Governments on the formation of an all-India Medical Council and of other cognate subjects?

Sir Frank Noyce: A copy of the proceedings of the Conference will be placed in the Library of the House.

Mr. Lalchand Navalrai: Will the Government of India, in these circumstances, consider the question why, when Indian degrees are not even recognised, British degrees should be recognised in India?

Sir Frank Noyce: That question will be considered.

Dr. B. S. Moonje: Will the Honourable Member state the reasons for the objections of the Bombay Government's Minister as regards the appointment of the Commissioner as proposed by the General Medical Council?

Sir Frank Noyce: The Honourable Member will find those objections fully stated in the proceedings of the Conference, a copy of which is being placed in the Library.

Diwan Chaman Lall: When did the Honourable Member receive intimation of the decision of the General Medical Council?

Sir Frank Noyce: The Secretary of State's telegram was received on the 9th March.

Lieut.-Colonel H. A. J. Gidney: With reference to the present situation, will the Honourable Member state whether it is a fact that, according to the present decision of the General Medical Council, Indians who receive

their degrees in India and which degrees are registrable in England will be precluded from entering the I. M. S. and whether Indians who do not possess British qualifications will be prevented from entering the I. M. S.?

Sir Frank Noyce: Will the Honourable Member kindly repeat his question?

Lieut.-Colonel H. A. J. Gidney: Will the Honourable Member kindly tell us whether, as things stand at present, Indians who are in possession of Indian degrees which are registrable in England are precluded today from entering the I. M. S. and whether Indians who do not possess British qualifications are prevented from entering the I. M. S. as things stand at present?

Sir Frank Noyce: Does the Honourable Member refer to the state of affairs which has ensued from the decision of the Medical Council?

Lieut.-Colonel H. A. J. Gidney: Yes.

Sir Frank Noyce: The position is, I think, Sir, that Indians in possession of Indian degrees up to the date of the General Medical Council's decision are in the same position as they were before, and they are not precluded from entering the I. M. S. I take it that the result of the decision of the General Medical Council is that Indians who do not possess qualifications registrable in the United Kingdom may be precluded from entering the I. M. S.

Dr. B. S. Moonje: We want to know, as a fact, whether, after the refusal of the General Medical Council to recognise the Indian Medical degrees, it will be impossible for people possessing Indian degrees to appear for the competitive examination for the I. M. S.?

Sir Frank Noyce: The legal position, Sir, will require careful examination.

Diwan Chaman Lall: May I ask the Honourable Member whether he has taken any action of protest against the action of the General Medical Council on behalf of the Government of India?

Sir Frank Noyce: I have already stated, Sir, that we are awaiting the receipt of full papers by mail before deciding upon the action which the Government of India should take.

Diwan Chaman Lall: Do I take it then that the Honourable Member means that the Government of India, since the receipt of this information from Great Britain, have not so far lodged a protest against the action of the General Medical Council?

Sir Frank Noyce: That is so. It is impossible to deal with a question of this complexity and gravity without full consideration of the implications of such action as the Government may decide to take, and it does not seem advisable to take that action until the Government of India are in full possession of all the facts.

Diwan Chaman Lall: Is the Honourable Member aware that this matter has been before the Government of India for several months and that they have had ample opportunity to make up their minds as to what action they should take in an eventuality of this nature arising?

Sir Frank Noyce: I think, Sir, the correspondence which I am placing on the table of the House will show that the Government of India have not been inactive during the last few months.

Pandit Hirday Nath Kunzru: May I ask, Sir, whether candidates desiring to compete for the I. M. S. are required to possess qualifications registrable in the United Kingdom?

Sir Frank Noyce: I have already answered that question, Sir.

(At this stage several Honourable Members rose in their seats to put supplementary questions.)

Mr. M. S. Aney: May I know, Sir, when two Members simultaneously stand up, who has got the priority of putting the supplementary question?

Mr. President: Whoever can talk louder than the other!

Sir Hari Singh Gour: About the question of registration of Indian medical degrees in the United Kingdom, it is not a question which has arisen recently. It arose some years back when Colonel Needham was appointed as Commissioner for Medical Education in India. I want to know what action the Government have been taking from that time when the British Medical Council had decided that, unless Colonel Needham was appointed, they would withdraw the privileges of the Indian medical graduates?

Sir Frank Noyce: In the proceedings of the Conference, which I am placing in the Library of the House, the House will find a full account of the history of this question during the last few years.

Dr. B. S. Moonje: Is it a fact that the Bombay Government's Minister did make a proposal to appoint a Committee of Members representing Medicine, Surgery and Midwifery, or in the alternative a Medical Board on the lines suggested by the Conference? If so, what action did the Government take on this proposal? Why was it turned down?

Sir Frank Noyce: There again I must ask the Honourable Member to read the papers. The reasons will be found in the proceedings of the Conference. It will perhaps satisfy the Honourable Member if I tell him what temporary arrangements the Government proposed to make. They suggested to the General Medical Council that a temporary Board should be appointed as a preliminary to an Indian Medical Council being created by an Act of the Legislature. They therefore proposed to establish a Board consisting of the Director General, Indian Medical Service, as President and one representative of each Medical Faculty of the Universities in India as Members. That was the recommendation made by the last Conference of Indian Universities, and with the modification that the Director General, Indian Medical Service, should be President of the Board it was accepted by the Government of India. It was suggested that the Board should appoint three Inspectors, who would be specialists in their own subjects, namely, Medicine, Surgery and Midwifery, respectively, for the purpose of carrying out inspections and reporting on standards of medical education and examinations. That suggestion of appointing three Inspectors was made by the Bombay Government. This proposal was not unfortunately accepted by the General Medical Council for reasons which will appear in the telegram that has recently been reviewed by the Government of India.

Dr. B. S. Moonje: Was it not a sufficient ground for the Government of India to protest against the refusal of the General Medical Council to accept the proposal of the Government of India?

Sir Frank Noyce: I think I have already answered that question, Sir. We have only had the General Medical Council's refusal before us for a very short time, and we are awaiting the receipt of papers before deciding what action to take.

Dr. B. S. Moonje: My point is this. The Government of India made a definite proposal to the General Medical Council, and that proposal was turned down by them. Was it not a sufficient ground for the Government of India to make a protest against their action? Did they make a protest?

Sir Frank Noyce: Until we have full information and heard more about the grounds on which the General Medical Council turned down that proposal, it seems useless to lodge a protest. In any case I find it a little difficult to understand what the use of such a protest will be at this stage.

Dr. B. S. Moonje: One more point of information, Sir.

Pandit Hirday Nath Kunzru: Have the Government of India represented to His Majesty's Government that candidates for the I. M. S. should no longer be required to possess degrees registrable in the United Kingdom, and that Indian medical qualifications should be regarded as sufficient?

Sir Frank Noyce: No, Sir.

Mr. M. A. Jinnah: I want to know, Sir, whether the Government of India are going to act with promptitude in this matter, and whether they are going to act in this matter as a national Government of this country?

Sir Frank Noyce: The Government of India will certainly do their best to act with promptitude.

As regards the second part of the question, I can give the Honourable Member a definite assurance that the Government of India have determined to ensure the autonomy of India in this matter by establishing an All-India Medical Council which will be able to regulate the recognition of medical qualifications on a basis of complete equality and full reciprocity as soon as possible.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following Message has been received from the Council of State:

I am directed to inform you that the Council of State have, at their meetings held on the 12th, 18th and 19th March, 1930, agreed without any amendments to the following Bills which were passed by the Legislative Assembly at their meetings held on the 23rd January, 27th February and 6th March, 1930, namely:

1. A Bill further to amend the Cantonments (House Accommodation) Act, 1923, for certain purposes;
2. A Bill to amend the law relating to insolvency for certain purposes;

3. A Bill further to amend the Inland Steam-vessels Act, 1917, for certain purposes;
4. A Bill further to amend the Indian Tariff Act, 1894, for certain purposes;
5. A Bill further to amend the Indian Income-tax Act, 1922, for a certain purpose;
6. A Bill further to amend the Indian Railways Act, 1890, for certain purposes; and
7. A Bill to amend the law relating to the fostering and development of the steel industry in British India for certain purposes.

STATEMENT OF BUSINESS.

The Honourable Sir James Crerar (Leader of the House): With your permission, Sir, I desire to make a statement as to the probable course of Government business in the week beginning the 24th March. You, Sir, have directed that the House shall sit for the transaction of official business on Monday, the 24th, Tuesday, the 25th, Wednesday, the 26th, Thursday, the 27th, and Friday, the 28th. Members are already aware of the Government business pending, but it may be desirable to set it forth briefly in the order in which it will probably be taken. Owing to the uncertainty as to the time which will be required for the completion of the Finance Bill and of the Cotton Textile Industry (Protection) Bill, it is not possible to allot particular items of business to particular days, and beginning from Monday, a consolidated list of outstanding business will be prepared for disposal on that day and on succeeding days. The order of that business will approximately be as follows:

1. The Finance Bill, if it is not passed by the evening of Saturday, the 22nd March.
2. The Cotton Textile Industry (Protection) Bill.
3. The Silver (Excise Duty) Bill.
4. The Bill further to amend the Indian Companies Act, 1913, as reported by the Select Committee.
5. The consideration of the formal amendments made by the Council of State in two Bills relating to the amendment of the Income-tax law, which have been passed by this House in this Session.
6. The consideration and passing by this House of two Bills which originated in the Council of State, namely, the Bill to amend the Transfer of Property (Amendment) Supplementary Act, 1929, and the Bill to amend the Destructive Insects and Pests Act, 1914.
7. The Supplementary Demands on the General Budget.
8. The Excess Demands and the discussion of the Report of the Public Accounts Committee.
9. The passing of the amendment to the Standing Orders of this House already reported by the Select Committee.

[Sir James Crerar.]

10. The Resolution of the Honourable Sir Bhupendra Nath Mitra relating to the recommendations of the International Labour Conference on the subject of the prevention of industrial accidents and the protection of power-driven machinery.

If at any time it becomes apparent that the business set out in this statement will not be concluded by the evening of Friday, the 28th March, I shall approach you, Sir, with a request to direct on what further days there shall be sittings of the Assembly.

THE INDIAN FINANCE BILL.

Mr. President: The House will now resume further discussion of the motion that the Finance Bill be taken into consideration.

Dr. B. S. Moonje (Nagpur Division: Non-Muhammadan): Resuming my speech, I say I charge the Government of India with wilful obstructiveness in the way of the Indian people exercising whatever little rights and privileges they have under the present Government of India Act. I would like to illustrate it by quoting an instance. It will be found, I hope, very instructive. I may remind the House of one of the recommendations made by the the Shea Committee. This recommendation is that:

". . . military education should commence wherever possible in schools. It should be continued in the universities and colleges by means of the University Training Corps and should be concluded in the units of the Indian Territorial Force."

So if this arrangement is to be given effect to in accordance with the authoritative opinion of an authoritative Committee, then, going backwards from top to bottom, we have got the Indian Territorial Force; then we have the University Training Corps, and the only thing wanted now is that a scheme of military education suitable for the school should be devised so that, that education should be begun in the schools. Speaking on the analogy of general scholastic education we have got for the military education, secondary schools, *i.e.*, University Training Corps; we have got means for higher military education, *i.e.*, the Territorial Force, but we have not at present got the means of primary military education or elementary schools where the military education should begin. Anticipating this recommendation of the Shea Committee, I was intending to introduce a Bill for compulsory physical training, military drill and rifle practice for Indian Boys when I was a Member of the Central Provinces Legislative Council. I was told at the time, *i.e.*, in 1925, that the Bill fell within the scope of section 80A(3)(*e*) of the Government of India Act, on the ground that the Bill sought to regulate a Central subject, and that the Government of India had refused to grant the necessary sanction and that the measure can not therefore be introduced in the local Council. Fortunately, I soon happened to come to the Central Legislature. I had given notice of a similar Bill in this Assembly in 1927. I was, however, told this time that, "in so far as the training proposed by the Bill was to be carried out by the provincial educational authorities, the measure was one which should be introduced in a provincial Council". The measure was in the first instance introduced in the Central Provinces Provincial Legislative Council and it was shunted off to the Central Legislature and when the

same measure was introduced in the Central Legislature, it was sought to be shunted back to the local Council. I did not however leave the matter there. Taking advantage of this definite expression of opinion, I asked a friend of mine, Mr. Kalikar, B.A., LL.B., M.L.C., to introduce the same Bill in the Central Provinces Legislative Council. He gave notice of it in October, 1928, and was told in the month of November, 1928, that previous sanction of the Governor General was required and that "action is being taken in respect of the requisite sanction". Nothing definite has yet been told us in the matter, although a year and a half have elapsed. I asked a question here in this connection on the 17th September, 1929, and I was told by the Honourable the Law Member that sanction was refused by the Governor General to that Bill of mine, not, as suggested in the question, because the Bill regulated a Central subject, but because it regulated a Central subject "in a manner not acceptable to the Government of India." This was the first time that I was so told somewhat more definitely. I really could not understand the answer at all. The answer was given by the Law Member. Do the Government of India mean that Indian boys should not be subjected to physical training, or drill, or that they should not be trained in rifle practice? I hope the Honourable the Law Member will enlighten me on the point as to how this Bill not only regulates a Central subject but regulates it in a manner not acceptable to him or the Government of India, and then I will reply to him. I pause for a reply. But I might mention for the information of the Honourable the Law Member, that though what was intended by my Bill affected a Central subject, it was already regulated in a manner which is acceptable to the Central Government as well as to the Local Governments. He might know that there is a rule known as rule 32 of the Indian Arms Act, which runs thus:

"A licence for the possession and use of fire arms for the purpose of target practice by the members of any military mess or of any club or association may, with the sanction of the Local Government, be granted in Form XV in the name of the mess, club or association."

So, if the objection of the Government of India related to the handling of rifles by Indian boys, which is a Central subject, then certainly this Bill of mine regulated a Central subject, but to their further objection that it regulates the Central subject in a manner not acceptable to them, the answer is already provided by this rule 32 of the Arms Act. I do not know in which other respects that Bill seeks to regulate a Central subject in a manner not acceptable to the Government of India. I hope the Honourable the Law Member will enlighten us in the matter.

Then, I asked the Government of India whether they proposed to give previous sanction to the Bill of my friend, Mr. Kalikar, and the Honourable the Law Member said:

"The matter has been under the consideration of the departments of the Government of India concerned and in view of the importance of the principles raised in the Bill it has been decided to address all Local Governments before making any recommendation to the Governor General."

The notice of the Bill was given in October, 1928. Up till September, 1929, when I reminded the Government of India by my questions, they did not think it worth their while to expedite consideration of this subject, and when they were aroused to take action, they said, "We shall now think of writing to the Local Governments before making any recommendation to the Governor General."

Pandit Thakur Das Bhargava (Ambala Division: Non-Muhammadan): It is a Central subject; what have the Local Governments to do with it?

Dr. B. S. Moonje: The Government of India wanted to know the opinions of the Local Governments before deciding whether previous sanction should or should not be given to the Bill of my friend, Mr. Kalikar. I do not know what connection there can be between the opinions of the Local Governments and the legal opinion of the Honourable the Law Member as to whether the Bill fell or does not fall within the scope of section 80A(3)(*e*) of the Government of India Act.

Mr. M. S. Aney (Berar Representative): Was the notice given to the Governor General in Council for getting the sanction and does the Honourable Member mean that the notice was withheld by some one in the Secretariat of the Government of India?

Dr. B. S. Moonje: The Honourable the Law Member will be able to reply to that question. I know this much, that an application was made for securing the previous sanction, and the reply was given, by the Secretary of the Central Provinces Legislative Council that action was being taken in respect of the requisite sanction. Let us proceed further. Perhaps they thought at the time, as the supplementary questions and answers were going on, that the time had not yet come for giving a proper or definite reply. Sir, it has been said that language was designed to give true expression to the thoughts and to the sentiments that spring from the heart, but the wily human art of concealing the thoughts and the sentiments of the heart has been so scientifically developed that the same very language can now be twisted and moulded artistically so that it may easily conceal the inner feelings effectively. Fearing that perhaps the language is not being artistically moulded while giving answers to the several supplementary questions that were being asked, the Honourable Sir James Crerar intervened and said that "the matter is one which requires very careful consideration and the Government of India have not yet finally arrived at a conclusion as to the terms in which the Local Governments should be addressed." One year had passed away by this time, and the Honourable the Home Member had not yet come to any decision as to the language in which to address the Local Government. I thought one year was enough for ransacking Webster's dictionary or the Encyclopædias to find out the terms in which to refer the matter to the Local Governments. When still further pressed by a volley of supplementary questions, the Home Member tried hard still further to improve his language and said, " we are considering the terms in which the Local Governments could be addressed in a manner which will cover the whole question adequately". Needless to say that my Honourable friend the Home Member, by this improvement of his language, went into still deeper waters. But I need not pursue the matter any further. I have given this as an illustration. Am I wrong in my indictment of the Government of India on their wilfully obstructive policy in the matter of our exercising whatever little privileges we have been given under the present Government of India Act? Can the Honourable the Law Member or the Honourable the Home Member say that I am wrong in supposing that the Government of India have been positively obstructive in the way of my getting this Bill introduced in the Local Council or in this Assembly? Now, why was I so anxious to introduce the Bill? What are the advantages that my

countrymen would have gained if that Bill had been introduced and passed in my Council? I had a solid majority behind me in my Council as a Leader of the Swaraj Party when I introduced that Bill, and if the Government of India had not been obstructive in the way they have been, the Bill would have been passed in no time. If that were done, I have no doubt similar Bills would have been introduced and passed in several other provinces.

I will now say a few words about the benefits anticipated to accrue from the Bill. I should however prefer to speak in the language of the Encyclopœdia Britannica than which no better description could be given of the benefits derived by the Germans by enforcing a training of their boys and youths on the lines as proposed by my Bill. The Encyclopœdia Britannica says:

"As years went by, the Prussian military machine was turning out year by year an ever increasing number of men who, by reason of the physical and moral training they had undergone, were head and shoulders above the class whence they had sprung. . . . .

Briefly, however, it may be pointed out that under modern conditions of industry the greatest national wealth-producing power resides, not as formerly, in the technical skill of the individual which machinery is gradually superseding but in the power of continuous collective effort of organised bodies, and that physical health and the power of mental concentration are the principal qualities required by the units of such bodies. Now these are the two essential factors which modern methods of military training aim at developing and these methods in turn evolved naturally from the conditions of service which compulsion introduced. The men who have undergone this training leave the ranks with bodies steeled to resist disease and minds capable of prolonged concentrated effort. Hence they not only remain capable of work for a considerably longer period of time but they also do better work throughout the whole time. It has been estimated that on the average the trained German soldier's expectation of life is about 5 years better than the normal of his own class."

Is it not the nation-building programme that I was suggesting in my Bill? If that Bill had been allowed to be introduced and passed, it would have given all the advantages which the Germans are receiving under a similar course of training that is in force in their country. It would have increased the people's expectation of life; people's bodies would have been steeled to resist disease. They would not have died as they do now in India from any little epidemic of infection that might visit this country. Mental capacity and bodily strength of the people for prolonged concentration and for standing the strain of physical exertion for a considerably longer period of time would have been appreciably increased. The people would have produced a greater amount of wealth and enjoyed better health and vigour of body and mind. These are some of the benefits that would have accrued to them as a result of that Bill if it had not been obstructed. If the Government of India had not been so narrow-minded and oblique in vision and given me permission to introduce it in this Legislature, or my friend Mr. Kalikar in the Central Provinces Legislative Council, the whole country would have been blessing the Government of India for doing a good turn to the people once in a way.

Sir Zulfiqar Ali Khan (East Central Punjab: Muhammadan): What about the insanitary condition of the homes in India?

Dr. B. S. Moonje: That is a matter with which we are not concerned at the present moment. There are several methods by which bodies can be steeled, and this is one, the very best of the methods, and this happens to be exactly the one method which Government have not been able to look upon with favour.

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Now, Sir, let us see what other nations are doing in the same direction leaving aside Germany. I have placed before this Assembly the pattern of Japan, which is a nation of hardly 75 years of growth on modern lines. What has it done? My Honourable friend, the Army Secretary, has been saying that the Government of India have discharged their obligations by establishing one so-called military college at Dehra Dun, and that Government are not bound to do anything more in the line; and the rest must depend on private enterprise. He says in effect if you want more military schools or colleges, let the people start them of their own accord and from their own money. He may be right from his own point of view in India but from my point of view which is nothing else than the national point of view, or the British point of view for British boys in England, he is absolutely wrong, and why he is wrong I am giving you an illustration of Japan to prove as I have already given that of England above. The Japanese Government did not say to the Japanese people, "We have discharged our obligation by establishing one military college and if you want more colleges or schools you may have your own privately". The Japanese Government did not say so. In Japan the military education is organised as follows:

There are military preparatory schools which are the lowest ladder in the scale of education for candidates aspiring to become officers where military education of the most elementary nature somewhat on the lines proposed by my Bill is given. Then come the military cadets' schools, which receive boys from the preparatory schools, and also other candidates. Then, at the top, stands the staff college, which gives the finishing polish to the Lieutenants and Captains. This is the arrangement of education for commissioned officers. Now, let us see what is the arrangement for the education of non-commissioned officers. For the benefit of those who aspire to become non-commissioned officers, three other military training schools have been established which accommodate 600 boys each. In each preparatory school, the general staff is composed of 29 members, students average 250 in number, and graduates that pass out yearly after examination number 50 on the average. In each military training school the general staff is composed of 45 members, students number 350 and graduates that come out, are 280 every year. In the cadets school the general staff is 207, students 1,257 and graduates that come out 428. Whereas if you search here for Indian boys receiving similar training what will you find? How many Indians are there in the cadet colleges of Sandhurst, Woolwich and Cranwell of England? You can hardly find five or six Indian boys taking education there. In a country consisting of 30 crores of men, and giving 55 crores of rupees every year to the Government for the Army Budget, military training is given to hardly five or six boys. How will you characterise the Government of India, which is responsible for this state of affairs? Let us resume our story. The training that is given in these military schools of Japan is given by none other than the Army officers in active service, who are specially detailed by the Minister of War for the purpose. As many as over 1,000 army officers have been selected from amongst the army divisions for the purpose and appointed as instructors in military training in University colleges, other high schools, middle schools, military schools, etc. Suppose, for instance taking the hint of my Honourable friend the Army Secretary, a private Indian gentleman were to establish a military school, will my Honourable friend come

forward and help him in giving him the loan of the service of an Army officer to give the military training in that school free of charge? I pause for a reply. I paused long enough for a reply. I know my Honourable friend will not give me a reply, and therefore I do say, and repeat my charge, my indictment against the Government of India that it has been thoroughly irresponsible and wilfully obstructive in the way of our exercise of whatever little privileges we have got under the present Government of India Act.

Now, Sir, as I promised yesterday that I would finish my speech in thirty minutes today, my last charge against the Government of India is that of being absolutely irresponsible. Yesterday I asked a question, but I did not receive any reply from the Army Secretary. In 1928, the vacancies in the Military College at Sandhurst that were allotted to us were 20, and it was recommended by the Skeen Committee that four additional vacancies ought to be reserved every year for Indian boys. I want to know if effect has been given to that recommendation of the Skeen Committee. If effect had been given to it, I should have expected in 1929, 20 vacancies of 1928, plus four additional vacancies for 1929, that is, I should have expected for 1929, 20 plus 4, or 24 vacancies, and these 24 vacancies to be equally distributed between the two examinations of June and November 1929. I should have therefore expected 12 vacancies for the June examination and 12 vacancies for the November examination. If there were 12 vacancies for the November examination, according to the recommendations of the Skeen Committee, which the Army Secretary said the other day the Government of India have accepted, I should have expected the 12 vacancies to have been filled after the November examination. But on the other hand only 10 vacancies have been filled, and 7 more cadets, though they have been declared to have successfully passed the Sandhurst competitive examination, were turned out and 2 out of the 12 vacancies for the November examination have been left unfilled. I should like to know if it is a fact or not and if so why these two vacancies have not been filled.

Mr. G. M. Young (Army Secretary): I have explained many times in this House what the decision of the Government of India and of His Majesty's Government in regard to these vacancies was. That decision was announced in 1928. At that time we could not get enough recruits of the requisite standard and fitness to fill the 10 vacancies. At that time we said that, although we could make an initial increase to 20, as recommended by the Committee, we would not make any further increase after that, until we were securing a steady flow of candidates of the right quality, who would justify such an increase. At this last examination, we have had more candidates qualified than there were vacancies; that is to say we have not had enough candidates for the existing vacancies until the last examination. At the last but one, we did send 11, but one of these was taken in a vacancy caused by the shortage at the preceding examination.

Dr. B. S. Moonje: I am very thankful to the Army Secretary. But taking that information as correct, I ask why two more cadets were not selected to fill the remaining two vacancies out of the seven passed cadets that were turned down? I want to have a reply on that question.

Mr. G. M. Young: I am afraid I have not understood that question.

Dr. B. S. Moonje: I will explain myself still more clearly. The Army Secretary said that candidates were not forthcoming in sufficient numbers adequately fit, possessing the qualifications as required by the Board. I admit for the sake of argument that a sufficient number of candidates did not appear for the examinations held before the November examination of 1929. But for the November examination there were a sufficiently large number of students competing for the examination and as many as 18 students have been declared to have passed the examination. I therefore ask, why were only 10 vacancies filled and two allowed to remain unfilled, if the Skeen Committee recommendation on the point have been given effect to as my Honourable friend says he has?

Mr. G. M. Young: I think I have made it clear that we do not contemplate extending the original number of vacancies until we have a steady flow of candidates forthcoming in sufficient numbers. As I have just observed, this examination was the first occasion on which we had competition, that is more people qualified than there was room for. It was never the intention of the Government of India to throw open as many vacancies at once as the number of persons qualified; for if that had been done, there would not have been competition at all.

Dr. B. S. Moonje: Therefore, in other words the Army Secretary has not accepted the recommendation on the point of the Skeen Committee to that extent. And he does not believe that there is enough competition even if six or seven times the number of students compete for 12 or 10 vacancies that are allotted.

Mr. G. M. Young: That has been made perfectly clear in March 1928.

Dr. B. S. Moonje: That recommendation has not been accepted by the Army Secretary, and therefore the statement that was made by the Honourable the Army Secretary that all the recommendations of the Skeen Committee have been accepted except two, that is, the Indian Sandhurst and the abolition of the eight units scheme, perhaps is not accurate.

I might also in this connection bring it to the notice of my Honourable friend the Army Secretary the following recommendations of the Skeen Committee which he says he has accepted:

"We recommend therefore that in 1928 eight vacancies should be allotted to Indians at the Royal Military Academy, Woolwich, and two at the Royal Air Force College, Cranwell, and that these members should be increased progressively in due proportion."

If this is so, then how could six boys have been accepted, as they were accepted last November because the Skeen Committee only recommended two? No doubt the proportion in 1929 should have been two cadets plus say about one-sixth of another cadet. Therefore, two and one-sixth of another cadet should have been, according to the recommendation of the Skeen Committee, accepted in 1929, but as many as six were accepted. Therefore, the only inference one can draw from it is, as it seems to me, that the Government of India have no objection to fill a larger number of vacancies, if a sufficient number of cadets equally qualified are available. I therefore ask, when there are or there ought to have been 12 vacancies and 18 candidates have been declared to have passed and when only 10 vacancies have been filled, are the Government of India prepared to recommend that those two vacancies also should be filled up out of the eight that have passed but were turned down? I want an answer to this question of mine if the Army Secretary will be pleased to give me one.

Mr. G. M. Young: I am afraid I cannot reply to the question in the course of this debate. I might perhaps reply later.

Dr. B. S. Moonje: It is my ill luck and the unfortunate condition of India that we cannot get a satisfactory response to a satisfactory claim established by facts.

Let us proceed further. There is one more point on which I may rightfully claim a favourable response from my Honourable friend, the Army Secretary. There is, rightly or wrongly, a feeling, as I said in my budget speech, that still the Army officers are imbued with a prejudice that only boys coming out from certain so-called martial communities alone are to be accepted and boys from other so-called non-martial communities are not to be accepted. I do not know whether this prejudice is there or is not there, but I know that people have got this misunderstanding. Will the Army Secretary be pleased to issue another communiqué to explain to the people that there is no such prejudice and that boys of any community and every community coming forward and found fit and competent for the Commissions will be accepted by Government without any reserve? Will he oblige us by coming forward with that communiqué so that people may know authoritatively that the prejudice which prevails is wrong and not based on facts? Can I expect a reply to that?

Mr. G. M. Young: Judging from the candidates who come forward for the examination, there is no need to issue a communiqué. It is perfectly understood that there is no discrimination in the matter of martial and non-martial classes, as they are called, in respect of officer candidates.

Dr. B. S. Moonje: Is it not one of the recommendations of the Skeen Committee that the duty of Government ought to be to carry on a propaganda to popularise these things among the people? Is it not one of the means of that propaganda to issue a communiqué to remove misunderstandings among the people, and will not Government oblige us to that extent? (*An Honourable Member*: "In England and not in India.") In England when they find that cadets are not coming forward in sufficient numbers they depute officers specially for this purpose to visit the universities, the schools and the colleges, to lecture to them and speak to them and offer all kinds of inducements to them so that they may come out in larger numbers. For India I only ask that, as a means of propaganda, a little communiqué be issued to remove a misunderstanding which I admit is not based on facts but which still does exist, amongst the people, and even that our Honourable friend, the Army Secretary, will not oblige us by doing. I can only say that it is our ill luck that we have to look up to others.

Then another thing is, did the Government give effect to the recommendations of the Territorial Forces Committee?

Mr. President: Order, order. This is not question time.

Dr. B. S. Moonje: I find that though four or five years have elapsed since the Territorial Forces Act has been passed, the Territorial forces are composed of only the infantry units. But in the Auxiliaries,—my Honourable friend, Colonel Gidney, is more fortunate,—I find they have got various units, the artillery, the cavalry, the engineers, the machine gun corps, the Royal Army Service Corps and so on. Will the Government of India be

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pleased to take this into consideration and try to expedite the starting of cavalry corps, artillery corps and machine gun corps in the Territorial forces as early as possible?

It is high time now that the Government should expedite the starting of Air Force units in connection with own University Training Corps.

Mr. President: Order, order.

Dr. B. S. Moonje: One minute, Sir. I promised to finish my speech in 30 minutes, Sir and I will keep my word and finish it very soon. I shall now conclude by explaining the reasons of the apparent indifference of Government. Why should Government not respond to our appeals, however earnest they may be? The late Lord Rawlinson, our former Commander-in-Chief, honest Englishman as he is, has come to our help in divining the motive of the Government. He says:

"The fact is that the Home Government, having introduced the Reforms scheme, are now afraid that they are going too fast They are trying to put on the brake and the machine is inclined to run away from them. But we must either trust the Indian or not trust him. The schemes have got to be carried out honestly in their entirety with a view to eventual Dominion self-government, or else we must return to the old method of ruling India with the sword. There is no halfway house."

The Honourable Sir George Schuster (Finance Member): Sir, speaking on behalf of Government I have no desire to restrict the fullest discussion on the Finance Bill at every stage; but I venture to submit to you that, as we now have had two and a half days on this motion for consideration of the Finance Bill, and if none of the Leaders on the other side still desires to speak, I should be justified in requesting you to put the question. But as I say, we do not wish, on the Government side, to restrict a fair discussion of the Finance Bill proposal.

Mr. President: The Honourable Member who has moved the original motion makes a request, I think, under sub-order (2) of Standing Order 34, that the Chair should now put the question. It is not really a closure procedure as ordinarily understood but if the request is accepted, the Chair must proceed to put the question. I know there are several Honourable Members still willing to participate in the debate and Government do not wish to gag them. But I would ask Honourable Members to take their turn at a later stage and allow the House to proceed with the amendments. There is the third reading of the Bill when Honourable Members will have their innings. I will now proceed to put the question.

The question is:

"That the Bill further to amend the Sea Customs Act, 1878, to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, and further to amend the Indian Paper Currency Act, 1923, and the Indian Finance Act, 1926, be taken into consideration."

The motion was adopted.

Clause 2 was added to the Bill.

Mr. President: The question is:

"That clause 3 stand part of the Bill."

Pandit Thakur Das Bhargava: Sir, I beg to move:

"That clause 3 be omitted and the subsequent clauses be renumbered accordingly."

Sir, as the House is aware, clause 3 of the Bill deals with the fixation of salt duty. This amendment says in effect that the
12 NOON. House should not agree to any salt duty being imposed. Sir, the discussion in regard to the salt tax is a hardy annual. In the previous years attempts have been made to reduce the amount of taxation. This year, a motion was tabled by Mr. Aney while the budget demands were being considered, that the salt tax expenditure be abolished altogether, and when I heard him, as he dealt with only one aspect of the matter, I did not think that that aspect of the matter fully justified the abolition of the tax, because as the Honourable the Finance Member remarked in replying, the political situation could not be eased if this salt tax was abolished, and other laws could be broken. While hearing the Honourable the Finance Member at that time, I thought that the seven crores of rupees, if usefully employed in other directions, might be productive of much good to the country. That was the burden of the speech of the Honourable the Finance Member, and in so far as that speech indicated, in what way those seven crores of rupees should be spent, I do not think any Member of the House will disagree with him.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, in the interest of economy of time, may I interrupt my Honourable friend? I want my Honourable friend to realise what the effect of his amendment will be. For, under section 7 of the Indian Salt Act, the Government have got the fullest discretion to fix whatever rate they choose on salt, subject to certain limitations. All that this clause 3 seeks to do is to control that discretion of the Government of India. My Honourable friend, by seeking to omit this clause altogether, will only be giving the Executive Government the authority to fix whatever rate they can under the present law.

Pandit Thakur Das Bhargava: Sir, I already knew the position. But I thank Mr. Neogy for being good enough to point it out again. But the point at issue is whether we are going to consent to it, whether the Government will do so with our consent so far as this Finance Bill is concerned. That is the point at issue, and as I was remarking, when I heard the Honourable the Finance Member say that the amount of seven crores of rupees could be usefully employed in nation-building departments, I thought that if this possibility could be realised in practice, I would not be a party to the abolition of the salt tax. But this was a mere pious hope. Is it possible that this seven crores of rupees will be utilised in matters in which the Finance Member was pleased to say it could be employed? In fact, the reply that he gave was in the nature of suggestions as to how to utilise the money, and not how to utilise the money recovered from this duty. In his speech, Mr. Aney referred to a book, "Monograph on Salt", which has been lately issued by the Federation of the Indian Chambers of Commerce and Industry, and I took up the book from the Library and went through that book. After going through the book, the first thing that I have publicly to submit is that we are indebted to the Federation of the Indian Chambers of Commerce and Industry for having produced that book, and I would make a present of that book to the Honourable the Finance Member in the hope that he will kindly go through it. A study of this book will bring home the

[Pandit Thakur Das Bhargava.]

conviction that the abolition of this duty will do much more good than even if the money were at his disposal to be used in the way suggested by himself. Now, Sir, salt is one of the primary necessities of human beings, and the past policy of the Government of India themselves shows that the Government are alive to the fact that this duty has been hampering the due consumption of salt. They themselves have been reducing the duty on the ground that this duty is one which cannot be justified. Now, Sir, a reference to this book would show the history of the salt duty. I do not propose to enter at this stage into that history. Suffice it for me to say that the history in relation to the salt tax is in line with the history of many other industries of this country. In the interests of Cheshire and the British salt industry, the salt industry of India was killed, as so many other industries were killed. In olden times, Bengal used to produce its own salt at a much cheaper rate and, Bengal was almost self-sufficient. Today 30 per cent. of the total amount of consumption of salt in this country is imported from outside, for which Bengal is mainly responsible, which implies that this country cannot produce the salt which is imported from outside. But to any man who has got eyes it is abundantly clear that, in every part of India salt can be had for the mere collection. I do not know of any part of India in which salt does not exist abundantly.

Now, Sir, as I have submitted, the old history of killing all Indian industries was repeated in the case of the salt industry of Bengal. It is a melancholy reading through this book when one comes across the attempts of British manufacturers in imposing their will upon the Secretary of State and arranging matters in such a way that British salt was given preference. The ship industry of England also got a fillip, and it would appear that, in the interests of Great Britain, the salt industry of Bengal was, I should say, crushed out of existence. And then Madras and Bombay salt could have been quite sufficient to supply the needs of Bengal; but this was not allowed, and unjust laws were enacted which disfigure the Indian Statute-book even today. A reference to those laws would show that they are most iniquitous in their nature. They impose very great burdens upon the private owners of lands and the Government have taken undue advantage of their power in imposing those laws upon the people. An illustration of these laws was given yesterday in this House by Mr. T. Prakasam, and a perusal of this book would amply establish that, in the interests of revenue, even rights of private property were sacrificed. Sir, leaving aside the coast line of Madras and Bengal, salt produced in the Punjab is quite sufficient to supply the needs of the whole of India. The rock salt of the Khewra mines and the salt produced in Rajputana, and the possibilities of salt production in Sind are matters which have many times been brought to the notice of the Government in this House. I am glad, Sir, that last year the Honourable Mr. Kelkar submitted to this House that India could be made self-sufficient in the matter of salt, and the Government were pleased to refer the matter to the Tariff Board. I do not know when the Tariff Board will make a report. In this connection I would repeat the warning given by Sir Purshotamdas Thakurdas the other day in this House. But, Sir, if this salt duty were taken away, I think the great question of the unemployment of the poor people would be solved to a certain extent.

(At this stage Mr. President vacated the Chair which was taken by Sir Darcy Lindsay.)

Many poor people would be able to earn their living if this industry was allowed to grow up. It is true that it would cause a great loss to the revenues of this country, say, to the extent of seven crores of rupees, but then the result of the taking off of this duty, in the way of prosperity of the people, in increased agricultural production and the health of cattle would be sufficient to counterbalance the disadvantages to revenue.

Sir, an examination of the history of other countries will be useful. Let us take England. Before the year 1825, in England also there was a salt duty, but in 1825, after a complete inquiry in 1818, that salt tax was abolished, and the advantages accruing from the abolition of that salt duty were so great, that what was lost in revenue was more than compensated in the general prosperity of men, cattle and agricultural production of that country. Now, Sir, it has been pointed out previously many a time in this House that the consumption of salt *per capita* in India is very much below the average of other countries. In this book a table is given, and a perusal of that table will establish that, in other countries as much as 40 lbs. *per capita* is being consumed, whereas in India not even 10 lbs. is consumed, while according to medical authorities, in places where the people have a vegetable diet they ought to consume more. Thus, this salt tax constitutes an obstacle to the consumption of salt by Indians, and past history has shown that, whenever the tax has been reduced, the consumption has increased; from which it follows that for consumption to develop on its normal lines, it is necessary that the salt tax should be taken away.

Now, Sir, this salt tax is a tax upon the poor and the rich alike. It is idle to say that it is not a heavy tax. Two days back I submitted before this House how many poor people get only one anna a day as the wages of their labour of more than ten hours. If the Government calculation is accepted and three annas per head are regarded as the incidence, even then it would appear that labour of three days in the year has to be given for this salt tax alone. If you consider the other taxation along with it, you will find that this salt tax cannot be said to be light. In my humble opinion it is a crushing burden, and a tax of this nature on the very necessaries of existence is totally unjustifiable. It may be that such incidence may not be of great consideration in a rich country, but here in India we have to guard against any sort of burden or any sort of tax upon the poor man, as he is incapable of bearing any sort of taxation as his income is very low. Sir, this salt tax does not only tax one of the necessaries of life of human beings. So far as cattle are concerned, salt is a necessary ingredient of their diet also. Sir, of late years we do not find in many villages those big pieces of salt which were generally supplied by rich people and put in public places for the cattle to lick. That was an institution which I noticed twenty years ago. Now those big pieces of salt are not put in any village or town, and cattle are not allowed to have their portion of salt. Leaving aside the animal kingdom, Sir, so far as the plant kingdom is concerned, salt is a necessary ingredient in their diet by way of manure. It has been found in many other countries where there is no salt duty that salt is a very good manure, and a perusal of relevant portions from this book, which for economy of time I do not

[Pandit Thakur Das Bhargava.]

wish to read out, would establish that, in agricultural production, salt plays a very important part.

Now, Sir, leaving this aspect of the case aside, this salt duty in my humble opinion is a great check upon the development of other industries. A list of other industries is also given in this book in which salt plays a very important part, and if we want that these industries should develop on their natural lines, it is necessary that the salt tax should be abolished.

Now, Sir, it can be said that salt provides a very easy method for collecting revenue. The way in which the salt tax is collected and the rules and regulations which provide for entry into private houses quite clearly show that this claim is unfounded, but even taking that this salt tax is easy of collection, the question would arise whether a tax on another necessary of life would not be easier of collection. If the Government put a tax on water, if they placed a constable upon every well, I think they would be able to realise a large amount of revenue, and that revenue could be utilised for the education of the people and for other purposes. But would any Government think of such a measure? If salt is of such great necessity for human beings, cattle and plants, as has been found by experience in other countries, it does not stand to reason that, for the purposes of revenue, or for the reason that the tax is easy of collection, we should depart from the fundamental rules of taxation that foodstuffs and necessaries of life should not be taxed. Sir, I know that this amendment of mine will never find favour with the Government, and perhaps many Members of this House will never agree with me when I say that the salt tax should be abolished altogether. But I am fully conscious that, in any scheme of Government in which the poor man shall have his full representation, this salt tax is bound to disappear. Ordinarily people do not realise what this salt tax means and how it affects the poor people. I myself did not fully realise the implications of this tax until I went through this book, and I would therefore request all Members of this House to give this aspect of the case full consideration before they record their votes.

Now, Sir, one point more and I have done. We have seen in regard to almost all the industries of this country that the Government have behaved in a most step-motherly fashion. India was self-sufficient in cotton fabrics and exported them to the United Kingdom, but this Government adopted measures to kill the industry of India. Now that trade in cloth of coarse counts has been wrested from Great Britain, the Government think of inaugurating a policy of protection for cotton fabrics of coarser counts. Thus protection always comes when the interests of Great Britain and India have ceased to clash. With regard to Mauritious sugar again, when it has ceased to come into this country, Government have begun to give their thoughts to the indigenous sugar. In these last fifty years the imports of salt have decreased from 86 to 10 per cent. from the United Kingdom, and it is but meet and proper that, since the competition with the United Kingdom has practically ceased and the United Kingdom has diverted its attention to other things, Indian salt should be protected. Sir, the position is certainly very unsatisfactory, yet we are thankful to the Government for initiating a policy of protection for salt, but unless and until this salt tax is abolished altogether and free manufacture of salt is allowed, I do not think justice will have been done to

the poor man, the cattle and the plant life of India. With these words, Sir, I place this amendment before the House for acceptance.

The Honourable Sir George Schuster: On a point of order, Sir. May I ask you, Sir, to follow what, I think, has been the practice in preceding years and allow the various amendments which have substantially the same effect to be discussed together? We have an identical amendment in No. 6, and I think the effect and purpose of amendment No. 7 is practically the same, that is for the abolition of the salt tax altogether, and it would, I suggest, be convenient if amendments Nos. 5, 6 and 7 were taken together.

The Chairman: I think that will be the best course to pursue. We will take amendments 5, 6 and 7 as part of the present amendment.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, I want . . . . .

The Chairman: Are you going to speak on this present amendment or on your own amendment?

Mr. Amar Nath Dutt: I want to speak on my amendment, Sir.

The Chairman: I think we will come to your amendment later.

Mr. M. S. Aney: Sir, I have no amendment to move, but I am here to support the amendment moved by my friend Mr. Thakurdas Bhargava. I do not like to record a silent vote on this question. As Honourable Members are aware, during the discussion on Demands for Grants, I supported a cut moved by the Honourable Mr. Amar Nath Dutt, the ostensible effect of which would have been the same as the amendment moved by my friend Pandit Thakurdas Bhargava. The point was raised by my friend, Mr. Neogy, as to what would be the effect of the amendment upon the powers of the Government if that amendment were passed. He pointed out that, if this amendment were passed, the powers of the Government of India under section 7 of the Indian Salt Act would remain unrestricted, and Government would have the unrestricted right of imposing any duty on salt they liked, that is to say, instead of Rs. 1-4-0 as they propose to under the present law, they can impose any duty they like. I believe my friend Mr. Neogy was unnecessarily apprehensive about this point. The difficulty is not really very great. If this amendment is carried, it will at least mean one thing, that this House is against the imposition of duty even to the extent of Rs. 1-4-0, and therefore whatever discretion the Government of India will have to use, if they want to behave like a constitutional government at all, it will be for them to find out some duty not higher than Rs. 1-4-0 but lower than Rs. 1-4-0 if they want a duty at all. But if they don't want to follow that practice, it would not mean that they are given the privilege because an adverse vote is recorded on this clause by this House. It would be a wrong interpretation put upon the conduct of this House, and no Government would be justified in drawing that inference and no reasonable man would ever draw that inference. So this apprehension need not deter us from considering the amendment which is now before the House.

Sir, while speaking to the cut motion during the debate on Demands for Grants, I dealt with this question of salt duty at considerable length, and I therefore do not like to repeat the arguments which I then addressed

[Mr. M. S. Aney.]

to the House, as I am sure that some of my arguments must be fresh in the minds of those Honourable Members who were then present and attentive. But there is one point of difference between the cut motion which was supported by me then and the present amendment. The previous motion was for asking this House to sanction certain expenditure with a view to maintain the Department of Salt. That expenditure is however sanctioned by this House. The present motion is for enabling the Government to recover the revenue duty and have the supplies. If you cut off the supply, the result will be the same. The Department will be starved into extinction. Whether you cut off the supply, or whether you refuse the expenditure, the result would in my opinion be one and the same. I am quite sure that when we move these motions, it is not exactly this result which is contemplated by us. The Government have been telling us, and very reasonably telling us, rightly or wrongly, that it is upon them that the constitutional responsibility rests to run this huge machinery of the Government, in accordance with the principles which have been recognised by the Government for the time being. It is necessary to make provision for the expenditure which the Government have to incur to run the administration, and they have to come to this House and ask for the necessary supplies. That is a very reasonable position for the Government to take up. Nobody would deny that, so far as the particular requirements of the Government are concerned from their own standpoint. But we on this side have another duty to perform, namely, to find out what is the actual attitude of the people towards the particular question on which our opinion and vote is asked. It is not merely to see how far a particular opinion which we record on the floor of this House will make it convenient for the Government to run their administration. That is not the only attitude from which we can look at the thing. When we look at this question from this point of view, nobody who is following what is going on in the country at present can have any doubt that public opinion on the salt duty is definitely opposed to it. It has not remained simply vocal. This opposition to the salt duty has been expressed on the floor of this House from the time when popular representatives got the first right of expressing themselves. From that time onward, in one form or another, the opposition to the salt duty has been expressed in a legitimate and constitutional way during the last 50 years.

But people are now thinking that the mere expression of a vocal opinion is not sufficient. As Honourable Members know, a regular campaign to break the salt law has been launched. I believe the opposition of the public to the salt duty could not have been expressed in a more telling manner than the way in which it is being done today. I most emphatically assert, Sir, that the manner in which the popular opposition to the salt tax is being expressed in the form of a no-salt-tax campaign, led by no less a personality than Mahatma Gandhi himself, is a powerful and effective constitutional method of asserting our opposition to it. It is a perfectly legitimate method of opposition. I am fully alive to the fact that no less a person than His Excellency the Viceroy regarded such an agitation as illegal. I do not want to criticise the speech of His Excellency the Viceroy, but for the first time we heard that a no-tax campaign, or a campaign of passive resistance like that, is an unconstitutional one. It is a perfectly constitutional weapon consistent with every sense of loyalty. So long as the agitator is prepared to submit to punish-

ment, every one is entitled to refuse to pay a tax if he feels himself conscientiously opposed to it and is not prepared to submit to it. That being the position, I want this Government to understand the true significance and implication of the no-tax campaign that is being led by Mahatma Gandhi today. When that campaign is being led outside, I feel it my duty,—and I feel it is the duty of everybody who is an Indian, who has got an Indian heart, who professes to have sympathy for the masses, whether he be an Indian or an European, if he thinks that he owes a duty to the people of India to do so also,—to adjust my activity here in harmony with what is going on outside and to reflect and reproduce the opinions that are being asserted in the most emphatic and demonstrative form outside by the noblest of the living Indians. If we do not do that, we are not true to ourselves and to the principles for which we have been working in this House and to the big constituency, the great Indian public, who have sent us here. That is the main line of my attack on the salt duty.

I do not understand the way in which some of my friends are trying to minimise the importance of the big thing that is going on outside. I do not want to go into unnecessary irrelevant diversions like that. I want this House to understand fully that this vocal opposition has been expressed for over 50 years by men known for their sobriety and their responsibility. The opposition has been voiced by men like my friend Sir Purshotamdas Thakurdas, the late Mr. Gokhale and others, about whose sobriety and sanity and responsibility there cannot be the least doubt. After 50 years of this opposition, even the patience of this exemplary patient people of my country has been tired out and they have been driven to despair and to desperate measures. After all, it is only a desperate measure and with that desperate measure I say that all of us have full sympathy. We wish that campaign success, as we have undoubtedly failed in our agitation here to get redress of a petty grievance like this. After all, who are the men who suffer? It is not the man drawing a salary of Rs. 2,000 a month. It is not the man who draws a salary of Rs. 5,000 a month. It is the man whose income per year does not exceed Rs. 50 or 60 that suffers most. I am taking the most sanguine calculations made by the economists of this country in regard to the average income of the Indian. It is that man who suffers. I have already mentioned in my speech during the budget debate that if we take the total consumption of salt produced in this country and the salt imported and the total amount paid by way of duty and freight to the Government, the incidence of taxation *per capita* works to Re. 0-4-8. That is the amount to be paid by a man whose annual income does not exceed Rs. 50 or 60. It can in no sense be described as a small burden. Sir, the Government are taking away something from this miserable man without which he cannot live and support his family. That being the position, the Government have to think seriously. Therefore I suggest that Government should this year inaugurate a policy by declaring that they are out for the abolition of the salt duty within a period of say 5 years. They can certainly made a beginning this year. Seven crores spread over a period of five years works out to something like a crore and 40 lakhs for a year. It comes to about 7 crores, and they could put up with a loss like that if they really are inclined to reconcile public opinion.

Sir, I think that there was no time before, when the need for reconciling Indian public opinion was so supreme and so great and so paramount

[Mr. M. S. Aney.]

as it is today. The Government think of doing something by which the future of India will be altogether changed. They want the people to believe that something that is to come in the near future will be in the nature of the promised land and will turn the country into a paradise which my countrymen have been cherishing in their hearts in the name of the "Dominion Status". They have therefore the need, if they are sincere and serious in their speeches to create confidence in the minds of the people not by simply repeating the words "Dominion Status" in season and out of season, but by actually showing that there is a genuine desire on the part of the Government to do their utmost to make the lot of the poor man in this country less miserable than what it is today. They must find out first what are the necessaries of life which are taxed today. On this occasion we are asking them to follow up a policy of gradual reduction with a view to total abolition of the salt duty as I have suggested. If they had taken up that policy, I am sure that the result would have been quite different. Today the triumphal march of Mahatma Gandhi and the band of 79 crusaders, who are following him, would have been towards the Sabarmati Ashram instead of being in the direction of the sea shore through Gujerat. Mahatma Gandhi would then have been in a position to tell the people that here was the Government which meant to do something. But my Honourable friend Sir George Schuster, when he got up to give a reply to the debate on the salt motion last time, said that Government did not think that the mere abolition of the salt duty by a stroke of the pen would do anything to ease the situation. I know that my Honourable friend is a very great financier, but he does not seem to possess that imagination which enables a man to visualise before his mind's eye the change of situation which a stroke of policy brings about. It requires a closer study of human psychology and probably a more intimate knowledge of the Indian mind, which he has not yet had time enough to gauge. He will take a little more time to get that understanding. If a thing of this nature had been done by the Government on the very day on which the march had been begun, it would have appealed to the imagination of the people. This would have done more than the artificial propaganda that is carried on in various places through various big officers including Governors of the Provinces around whom gather crowds of toadies and sycophants, who place before them a false picture of the real state of affairs and who are not the real masses of the country. I can assure you, Sir, that this is not the right way of doing things. The right way is to search your own heart and have an insight into the hearts of those who are dying and crying for their miseries. Salt is one of those things about which the people have been crying for the last so many years. Their leader, Mahatma Gandhi, has declared his resolve either to exist or not to exist. Whatever you may say about that great man, he has this quality, that once he makes up his mind, he will not be deterred from carrying it to the bitter end. That great man has made his resolve which is this. Either a salt tax without Gandhi living in this world or a Gandhi without the salt tax in India. That is the issue before him. I am sure that time has come for the people to make a choice, and it is for you to intervene in time to prevent the catastrophe and save the country from the chaos in which you will find it soon plunged. Do not do this and then afterwards—well, the deluge. That is all I can see and say. I therefore support my friend Pandit Thakur Das Bhargava on the motion which he has moved.

The Chairman: (to Pandit Nilakantha Das): Do you wish to speak on your amendments? I rule that your amendments, numbers 6* and 7, are to be taken with amendment No. 5 which is now under discussion.

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): In that case, Sir, I shall move my amendment No. 7 which runs thus:

"For clause 3 of the Bill the following be substituted, namely:

'3. In section 7 of the Indian Salt Act, 1882:

(*a*) Clauses (*a*) and (*b*) are hereby repealed.

(*b*) In clause (*c*) for the words 'by or on behalf of the Government of' the word 'in' shall be substituted.'

and consequential amendments be made in other sections of the Indian Salt Act, 1882."

The effect of my amendment, if adopted, will be that the Governor General will have no power of levying or remitting any tax on salt. Now, under clause (*a*) of section 7, of the Indian Salt Act of 1882, the Governor General can levy taxes and under clause (*b*) he can remit them. Clause (*c*) provides that by or on behalf of the Government only salt can be manufactured and distributed or dealt out in India. This provision relates to the salt monopoly of the Government. My amendment of clause (*c*) takes away the monopoly of manufacture, but retains the duty of the Government properly to distribute salt all over India by controlling and regulating its price and supply. I say that salt should be properly supplied to the people at a moderate and regulated price by the Government, so that price and supply of salt may not be manipulated by merchants and middle men, but the manufacture of salt will be free. That will be the effect if my amendment is passed.

Now, the amendment of my friend Pandit Thakur Das Bhargava as well as my amendment No. 6 is to omit clause 3 of this Bill. But that may not achieve the object of abolishing the salt tax. For under a constitutional convention, as they call it, this Bill has been coming before this House from year to year. We know that even if we omit this clause altogether, or do not pass this Bill, or even if this Bill does not at all come before this House, there is still the power in the hands of the Governor General under section 7 of the Indian Salt Act to levy a tax up to Rs. 3 per maund. So I say, under this constitution for these 10 years there has been established what is called a convention for taking the vote of this House to fix the actual duty on salt. But in spite of this convention, the Democle's sword is hanging all right. The provisions of the Salt Act stand unrepealed. The mystery of this policy is evident.

Ours is a constitution for which, when need be, there should be shown little respect. It means that, if there is a necessity, a convention like this can be easily broken by Government. Government desiring, everything will be thrown into the waste-paper basket, and in spite of our conventions and conventions—"so-called" I should like to say—the tax will perhaps be levied with a vengeance even more than Rs. 1-4-0, if we omit clause 3. But here if I endorse the proposal to omit clause 3, I do it deliberately, for I should like to coerce the Government at this particular juncture in the

*"That clause 3 be omitted."

[Pandit Nilakantha Das.]

country to come out with its autocratic fiat like that, and throw the convention into the waste paper basket. In that case for the 6 or 7 crores—for we have consideration of crores and crores only in this House and nothing else—I say, for the 6 or 7 crores that is derived from the salt tax, we shall give probably several more crores to the Honourable the Finance Member to fill his pockets with. If crores are the only thing that count with the Government, for these crores, we should like to coerce the Governor General, and the Government of India for the matter of that, to take to these extreme means, especially at a time when, by the greatest man in India, one of the greatest of men in all the world, Mahatma Gandhi, this particular weak spot of the Government is being challenged and attacked in open non-violent national war. I am simply very sorry that our Honourable friends on the opposite Benches lack a little imagination. Some of my Honourable friends have said that this Government have no soul, but I say this Government also lack imagination and therefore intelligence. If only the Honourable Members on the opposite Benches would make a clear breast of it and say that this tax clean goes, we do not know how the way will at once open by a magic wand, as it were, for a prolonged period of peace and prosperity in the land, and the entire agitation fraught with dire consequences will calm down and there will prevail a severe atmosphere of mutual trust and mutual understanding. At least the way will be well paved for this. But the Government not only lack imagination, but they will lack it till this mad Imperialism comes to an end. So, if they lack such imagination, and if they are not out to take to proper means of creating trust and understanding between themselves and the people over whom they rule, let them be coerced into means of repression, oppression and autocracy. With that particular object I gave notice of the amendment that clause 3 be omitted.

But my amendment No. 7, which I am moving, is a constructive measure. If it is accepted the Governor General will have no power to levy any tax on salt nor can any one again say that salt is a monopoly of the Government. That is the constructive aspect of the problem which I put before them. If they have any regard for the constitution which some of their friends call "Dominion Status in action"—I do not understand what it means—if they have respect for this convention, as they call it, let them come forward and accept this motion which will leave the power of taxing salt in the hands of the people, not by makeshift of convention, but under the rights conferred by a real constitution, and the stink of regulation, which still attaches to this salt law, will vanish. For the salt tax is practically levied under a regulation, so to say, for salt is a monopoly. Technically it may not be a regulation, for it is called an Act. But on the adoption of my amendment the entire position will become clarified.

Today salt is the most important subject engaging the attention of the Government as well as of the people. I need not enter into the inhuman and humiliating history of this tax. This has been narrated often and again on the floor of this very House. It is a tax which is felt in every home. When the poor peasant takes his small dish of rice, perhaps once a day, as it is his lot when for want of his purchasing power he cannot provide a little salt which is his only sauce, he remembers Mahatma Gandhi as well as the Honourable the Finance Member on that Bench. That is why the nation is out to attack the Government at its weakest point where it can be first attacked. It has all along remained an open sore in the

nation. In the hands of nationalists, it forms a very good handle for propaganda, and the effects of this propaganda will very easily reach the riff-raff and spread like a prairie fire. People need have no education, people need not attend platform oration, they need not read newspapers, they may be unlettered, but they will understand Mahatma Gandhi's attack on salt. But this Government's perversity is so obdurate and incorrigible that it is still out to levy that tax and keep salt as a monopoly. I say, Sir, this is the time and this is the occasion for this Government to come to its proper senses. They should not lose their heads. Of course it is the tradition of Imperialists to lose their heads in the very hour of their ruin. But we here extend to them a helping hand with this suggestion. I cannot express, Sir, the heaviness of feeling with which I move this my amendment. When I came into this House, I asked myself again why I came; but when I have come into this House, I should like to see that I co-operate at least in the fashion in which I can. That is, if I can put some new outlook into the adamantine brains of the Government, I should perhaps be more than satisfied, and it is with that view that I have put down this amendment and I move it.

The Honourable Sir George Schuster: Sir, we have already had a somewhat full discussion on the question of salt policy, and there are certain other amendments which still remain to be discussed. I therefore hope that this House will not take it as indicating that I do not take this question of salt seriously if I confine myself now to a very short reply. I have already indicated to the House my general views on the question, and I feel sure that it is appreciated that the Government at this stage cannot for practical reasons accept these amendments which mean a loss of seven crores of revenue. At the same time I have full sympathy with a great deal that has been said by speakers on this question both now and in previous debates. Generally speaking, however, on the question of salt,

1 P.M. I would appeal to Honourable Members to confine themselves to short speeches this year, because, in response to what I believe was an expression of opinion representing the majority of this House, Government have agreed to the setting up of a Tariff Board inquiry into the whole question of the salt industry, and I feel that, whatever views we take on this question, we ought now to await the result of this inquiry before changing our policy in regard to salt. I have already indicated to Honourable Members . . . . .

Mr. M. S. Aney: May I ask one question? Do the terms of reference to the Tariff Board also include an inquiry into the question of reducing or increasing the present duty?

The Honourable Sir George Schuster: I think that the Report which we shall get from the Tariff Board will throw a very great deal of light on the whole question as regards the salt trade in India. I believe the Report will deal not merely with the question of increasing the indigenous production of salt, but with the whole administration of the salt monopoly in India and with questions which affect the price at which the poor retail purchaser obtains his salt. I often feel myself, in discussing this matter, that insufficient attention is paid to this aspect of the question. After all, what we are out to do is to get into the hands of the people who actually purchase salt a good quality of salt at the cheapest possible price. Now, I feel myself that it is quite possible that changes in administration may

[Sir George Schuster.]

affect the price at which the poor man gets his salt almost as much as a complete abolition of the duty would do. If it is possible to improve matters by measures of that kind, it would obviously be much more in the public interest to work on those lines and retain the revenue for public purposes. It is for that reason that I suggest to this House that the whole question of salt can be better discussed when we have before us the results of the Tariff Board inquiry. For the moment, I can only take up the attitude that we must oppose these amendments.

The Chairman : The original question was:

"That clause 3 stand part of the Bill."

Since which an amendment has been moved:

"That clause 3 be omitted and the subsequent clauses be renumbered accordingly."

If that amendment is lost, I will, after that, put amendment No. 7 of Pandit Nilakantha Das, which is rather different. The question is:

"That clause 3 be omitted and the subsequent clauses be renumbered accordingly."

The motion was negatived.

The Chairman: The question I now put is:

"That for clause 3 of the Bill, the following be substituted, namely :—

'3. In section 7 of the Indian Salt Act, 1882 :

(*a*) Clauses (*a*) and (*b*) are hereby repealed.

(*b*) In clause (*c*) for the words 'by or on behalf of the Government of' the word 'in' shall be substituted.'

and consequential amendments be made in other sections of the Indian Salt Act, 1882."

(At this stage Mr. President resumed the Chair.)

The Assembly divided:

AYES—30.

Abdoola Haroon, Haji.
Abdul Matin Chaudhury, Maulvi.
Agnihotri, Mr. K. B. L.
Aney, Mr. M. S.
Ayyangar, Mr. K. V. Rangaswami.
Bhargava, Pandit Thakur Das.
Das, Mr. B.
Das, Pandit Nilakantha.
Dutt, Mr. Amar Nath.
Farookhi, Mr. Abdul Latif Saheb.
Gour, Sir Hari Singh.
Iswar Saran, Munshi.
Kartar Singh, Sardar.
Kidwai, Sheikh Mushir Husain.
Lalchand Navalrai, Mr.
Malaviya, Pandit Krishna Kant.
Mohammad Ismail Khan, Haji Chaudhury.
Moonje, Dr. B. S.
Mukhtar Singh, Mr.
Murtuza Saheb Bahadur, Maulvi Sayyid.
Neogy, Mr. K. C.
Reddi, Mr. T. N. Ramakrishna.
Shafee Daoodi, Maulvi Mohammad.
Siddiqi, Mr. Abdul Qadir.
Singh, Mr. Gaya Prasad.
Sinha, Kumar Ganganand.
Sinha, Mr. Rajivaranjan Prasad.
Sitaramaraju, Mr. B.
Talatuley, Mr. S. D.
Venkatakrishnayya Choudhri, Mr. P

NOES—57.

Abdul Aziz, Khan Bahadur Mian.
Abdul Qaiyum, Nawab Sir Sahibzada.
Alexander, Mr. W.
Banarji, Mr. Rajnarayan.
Baum, Mr. E. F.
Chatterjee, The Revd. J. C.
Chettiyar, Rao Bahadur P. T. Kumaraswami.
Chetty, Mr. R. K. Shanmukham.
Cocke, Sir Hugh.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Crerar, The Honourable Sir James.
Crosthwaite, Mr. H. S.
Dalal, Dr. R. D.
Dutta, Rai Bahadur S. C.
Ferrers, Mr. V. M.
French, Mr. J. C.
Ghazanfar Ali Khan, Raja.
Gidney, Lieut.-Colonel H. A. J.
Gwynne, Mr. C. W.
Hamilton, Mr. K. L. B.
Hardy, Mr. G. S.
Heathcote, Mr. L. V.
Hira Singh Brar, Sardar Bahadur, Honorary Captain.
Howell, Mr. E. B.
Jawahar Singh, Sardar Bahadur Sardar.
Jehangir, Sir Cowasji.
Lamb, Mr. W. S.
Lindsay, Sir Darcy.
Mitra, The Honourable Sir Bhupendra Nath.
Mitter, The Honourable Sir Brojendra.
Monteath, Mr. J.
Moore, Mr. Arthur.
Mukerjee, Mr. Saradindu.
Mukherjee, Rai Bahadur S. C.
Noyce, Sir Frank.
Pai, Mr. A. Upendra.
Parsons, Mr. A. A. L.
Purshotamdas Thakurdas, Sir.
Rahimtulla, Mr. Fazal Ibrahim.
Rainy, The Honourable Sir George.
Rajah, Rao Bahadur M. C.
Rau, Mr. H. Shankar.
Roy, Mr. K. C.
Sahi, Mr. Ram Prashad Narayan.
Sams, Mr. H. A.
Sarfaraz Hussain Khan, Khan Bahadur.
Sarma, Mr. R. S.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Singh, Mr. Adit Prasad.
Slater, Mr. S. H.
Sykes, Mr. E. F.
Tin Tut, Mr.
Yakub, Maulvi Muhammad.
Young, Mr. G. M.
Zulfiqar Ali Khan, Sir.

The motion was negatived.

Mr. President: Mr. Acharya.

(The Honourable Member was absent.)

Mr. President: Mr. Amar Nath Dutt.

Pandit Nilakantha Das: Sir, my amendment should in order come next. I am afraid it is a mistake that it is printed as No. 10. It is to remit the excise duty to the extent of Rs. 1-[illegible]-0-

Mr. President: Does the Honourable Member wish to move his amendment?

Pandit Nilakantha Das: Yes, I wish to move it and get it recorded. Very briefly I shall move it.

The Honourable Sir George Schuster: Which amendment, Sir, is now being moved?

Mr. President: No 10 on the list.

Pandit Nilakantha Das: Sir, I move that:

"To clause 3, the following be added :

'and the said provisions shall, in so far as they enable the Governor General in Council to remit any duty so imposed, be construed as if, with effect from the 1st day of April, 1930, they remitted the duty to the extent of the said one rupee and four annas, and such remission shall be deemed to have been made out of the leviable duty by rule made under that section'."

Sir, section 7, sub-section (*a*) of the Indian Salt Act gives power to the Governor General to levy a tax to the extent of Rs. 3, as a maximum, on every maund of salt, and then sub-section (*b*), under which

[Pandit Nilakantha Das.]

comes my amendment, gives him power to remit any tax levied on salt under sub-section (*a*). The Governor General can remit a part of the tax or the whole tax which might be levied on salt. It is provided in the Salt Act that this tax will be levied on Indian inland salt, salt produced in India or carried by land into any part of India. It is rather misleading to some new Members who are perhaps under the misapprehension that this Act deals with excise salt only. It is not so. It deals also with imported salt in this way. The provision for duty on imported salt in the Indian Tariff Act is that the duty on imported salt will be just as much as the duty on inland salt. There is no provision that it should be one rupee and four annas or one rupee and eight annas or anything like that. So if we could have abolished the duty on inland salt, automatically the duty on imported salt would go. Now, that we have failed to do it, what I propose is that the Governor General, by the power vested in him under sub-section (*b*) of section 7 of the Salt Act will, under this provision of my amendment, if this amendment is passed, remit all the tax leviable on inland salt, that is, to the extent of one rupee and four annas. This is the amendment which I moved last year, but Government who, as I have said, always look to rupees, annas, pies, could not find their way to accept my amendment. I say this will take out of the pockets of the Government an amount to the extent of over Rs. 3 crores. My Honourable friend, the Finance Member, said, in replying to my last amendment, that the matter had been referred to the Tariff Board, but he has not said definitely that the Tariff Board, under the terms of their reference, have been asked to deal with the duty on salt. This salt duty, and Government monopoly of salt are the main problems before the country and before the Government today. But the Tariff Board, as I understand, are mainly looking to that aspect of the question by which India could be made self-sufficient in the matter of salt. Therefore, there will be nothing wrong now in remitting this tax leviable on inland salt. Of course, thereby Government are losing to the extent of Rs. 3 crores. For, I should make it clear to the Government, as I said in my last speech, that if we remit this tax and create the necessary atmosphere today in this vast land of India, money will not be wanting. It is the understanding that is wanting, and as I said, it is imagination in the Government that is wanting. Money will be forthcoming and pouring forth for them like anything if there is mutual trust, goodwill and mutual understanding. I say, Sir, let them not fear the loss that they are going to incur; let them adopt a statesmanlike policy; let them remit this tax leviable on inland salt. I still maintain that such a stroke of policy at this juncture will relieve the grave and dangerous situation that is coming and will save the Empire, which is otherwise sure to go to ruin, in spite of heavy crores so horridly jingling in the pockets of the Finance Member, in defiance of the loss of confidence and good-will of the impoverished people of this unfortunate land. Sir, I move my amendment.

***Raja Ghazanfar Ali Khan** (North Punjab: Muhammadan): I rise to oppose this amendment, which I must confess has not been very seriously put forward. I have been suddenly called upon to speak, and I do not know what to say except that. We have already wasted sufficient time on talking of things which were mostly irrelevant to the Finance Bill, and one could hardly make out what was the question under discussion in the House, and now the best thing is to make short speeches and to take the vote. Therefore, Sir, I oppose this amendment.

*Speech not revised by the Honourable Member.

The Honourable Sir George Schuster: Sir, this amendment in its present form has been before the House on several occasions. I confess that I have never been able clearly to understand what its intention was or what its effect would be. I believe myself that its effect would be to abolish the duty altogether, but I believe that its intention is to abolish the duty on salt manufactured in India or imported by land into India and to retain the duty of one rupee and four annas per maund on salt imported by sea. In the circumstances, Sir, if that is the intention, I suggest that that is exactly one of the questions on which we should await the Report of the Tariff Board before this House is asked to take a decision. I have nothing further to add.

Mr. President: The question is:

"To clause 3, the following be added:

'and the said provisions shall, in so far as they enable the Governor General in Council to remit any duty so imposed, be construed as if, with effect from the 1st day of April, 1930, they remitted the duty to the extent of the said one rupee and four annas, and such remission shall be deemed to have been made out of the leviable duty by rule made under that section'."

The motion was negatived.

Mr. Amar Nath Dutt: Sir, I beg to move the amendment standing in my name which runs as follows:

"In clause 3, for the words 'one rupee and four annas' the words 'eight annas' be substituted."

Sir, I do not know whether this amendment will be acceptable to the Honourable the Finance Member, who wants to have as much money as it is possible to spend. He probably does not take into consideration the case of the poor consumer, I mean, the poorest in the land on whom the incidence of this tax falls the heaviest. Finding that the Honourable the Finance Member has taken shelter under the Tariff Board inquiry in a matter like this, which affects the impoverished millions of this country, I do not know how far this amendment of mine will commend itself to him. But, Sir, allow me to make an appeal to every one of the Indian Members present here to vote for the amendment I am now moving, because I feel it is the bounden duty, nay the sacred duty, of every Indian Member to support my amendment. (*Some Honourable Members*: "To his salt?") (Laughter.) (*An Honourable Member*: "What about the millowners?") Probably if they are supported in what they want, they will vote. But I may remind them that they should beware, before deciding to tax the poorest of their countrymen. They may support the Bureaucracy, for they know that they are in the safe harbour with them. But a time may come when they will not be in safe harbour with them and I wish to point out to them that I do not wish to antagonise England in order to give preference to other countries who are not friends of India. I do not want to antagonise England for any reason whatever to benefit Japan. With all her faults, I love England. (*An*

[Mr. Amar Nath Dutt.]

Honourable Member: "Hear, hear"), because she has given us education, because she has brought peace in this land but we cannot forget that British rule has impoverished us to an extent that we cannot affirm that they had the real interests of this country at heart, and as a friend of England, which at the present moment rules my country, I appeal to the Government to help us, to help the famished millions of India by not taxing this prime necessity of life, namely, salt. As you want some money, I want to offer you 8 annas instead of Rs. 1-4-0 per maund. No doubt, Sir George Schuster's purse will not be full by the method, I suggest, but he should find out other ways and means to make up the deficit, and I hope he will see his way to support us at least in this matter.

This question of the salt tax has been discussed so often in this House that it is not necessary to repeat the arguments over again. The man who does not realise that salt should not be taxed, is either devoid of intelligence or has a heart of stone. There may be various motives which may induce gentlemen to vote against this amendment. It may be to please the powers that be, who can shower many a good thing upon some of them. Some Members may have an eye on titles and honours; some may have an eye upon future offices; some may have an eye for the protection of certain industries in which they are interested either as proprietors or as managing agents; and others may have an eye to please the powers that be; and lastly there is another section who must always support Government because they are the Government themselves and as you know the King of England does not rule India, but India is ruled by those who sit on the opposite Benches (*An Honourable Member*: "Share-holders?") Yes, they are the share-holders of the company that is known by the name of Government of India. But I make an appeal once more, I make a fervent appeal to every Indian, that he should not vote against my amendment, but every one should support it, and I shall be glad if the Government also see their way to support it for I feel it is the duty of the Government to see that the millions of the people in this country over whom they rule get a little salt to eat with the morsel of rice they boil in their pot. With these words, I place this amendment before the House for its acceptance.

Mr. Mukhtar Singh (Meerut Division: Non-Muhammadan Rural): Sir, I want to . . .

Mr. President: Is the Honourable Member supporting the amendment?

Mr. Mukhtar Singh: I want to say only a few words, Sir.

Mr. President: There are three amendments in the name of Mr. Amar Nath Dutt.

Mr. Mukhtar Singh: I do not mind speaking on either this amendment or on any of the others.

Mr. President: Which particular amendment does the Honourable Member wish to speak to?

***Mr. Mukhtar Singh:** I want to draw the attention of the Honourable the Finance Member to one important point, and that is why I want to speak. I invited the attention of the Government previously also to the fact that the duty on salt has an effect not merely on man, animal life and vegetable kingdom, but it has also an effect on the chemical industries of this country, especially on the manufacture of sodium compounds. A reference to the latest trade review will clearly show that the imports of sodium compounds are daily increasing. The pre-war figure was 74,44,000 and the post-war figure is 85,71,000, whilst during the last two years we have imported sodium compounds to the extent of Rs. 1,12,35,000, and in 1928-29, we imported to the extent of Rs. 1,13,31,000. That clearly shows, Sir, that the chemical industries of this country are handicapped over the manufacture of sodium compounds. I may mention that I am specially interested to know the views of Government on this point, because mostly the imports of this chemical product come from England, and England being the direct competitor with Indian chemicals, it must be the duty of the Government to refer this matter also to the Tariff Board when they refer to them the point whether any special facilities are necessary for the manufacture of sodium compounds in this country, and in order to do this, whether it is necessary that the factories working in this country should have duty free salt for the manufacture of sodium compounds.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Sir, I shall be very brief. I would not have spoken but for the appeal made by my friend, Mr. Amar Nath Dutt, this necessitates that I should not give a silent vote on this motion. I do not feel any less than those of my friends who voted for the amendment of Mr. Nilakantha Das on the last division. But I am convinced that, if we really want that the poor should get not only cheap salt, but also salt of the right kind,—eatable and good salt, fit for consumption and which will not ruin their health,—it is necessary for this House to have a little patience. It is incumbent on this House to ensure people in the outlying districts where salt cannot be manufactured to devise a machinery, which will get them good cheap salt without profiteering by middlemen, for this it is very advisable that we should await the Report of the Tariff Board. The discussion today, and the earnest appeals which have been made to the Honourable the Finance Member, can only convey one lesson and that is that the Report of the Tariff Board should be dealt with by the Government with as little delay as possible. My best hope is that the Government may put before this House, before the Budget Session in 1931, a scheme which will satisfy us that the Government are moving in the right direction to ensure the supply of cheap and good salt for the welfare of man and beast and agriculture in India. I therefore suggest that in the best interests of all of them the Mover of these motions should not press his amendments today but should press for an assurance from the Honourable Member that there will be no delay in dealing with the Report of the Tariff Board. I request my friend not to press any of these amendments today.

The Honourable Sir George Schuster: I am quite ready to give my Honourable friend the assurance for which he has asked, and I trust

*Speech not revised by the Honourable Member.

[Sir George Schuster.]

that all those who have spoken with genuine feeling on the subject of salt during the last few years will feel at least that their efforts have not been entirely in vain if they have resulted in a good Report being prepared by the Tariff Board and appropriate action taken without delay on that Report. It is at least impossible to listen to the speeches that have been made without realising that there is genuine feeling on the subject, and I shall certainly take that into full consideration when dealing with the Report when it is before us.

Mr. President: The question is:

"In clause 3 for the words 'one rupee and four annas' the words 'eight annas' be substituted."

The motion was negatived.

Mr. Amar Nath Dutt: Sir, I move my next amendment:

"In clause 3 for the words 'one rupee and four annas' the words 'twelve annas' be substituted."

We have heard the Honourable the Finance Member and he has asked us to wait till the Tariff Board inquiry is finished, and has assured us that he will take the Report into consideration without delay. I am not going to be duped by these assurances. We have had many such assurances before from Government, which in the long run came to nothing. Even the assurances of Her Majesty the most gracious Queen Victoria is more honoured in the breach than in its observance. I remember one of our great patriots returning from England in the year 1909. We waited upon him at the railway station to give him a right royal reception. He gave us to understand that he had been assured by the Secretary of State for India that Swaraj was coming. We were all young men then. (*An Honourable Member*: "Not all of us.") At any rate, I was a young man. You might have been a child at that time. Well, we got the Morley-Minto reforms, which if they did not do anything else, brought the communal electorates to this unhappy land. However, Sir, that is outside the present discussion. We have been duped many a time by assurances. I hope Sir George Schuster will excuse me if I persist in moving my amendment. He has asked us to wait for one year. I shall make another request to him, and that is to accept 12 annas for one year. With these words, I move my amendment.

The Honourable Sir George Schuster: Sir, my Honourable friend seems to be carrying out a sort of Dutch auction as regards the salt tax, trying to tempt me with various bids, but I am afraid that all I said originally applies to his amendments right down the scale. As my Honourable friend asked that I should bear with him if he persists in moving his amendments, so also I hope that he will bear with me if I persist in repeating my assurance. I fully intend to carry out the assurance which I have given and I would say this, that perhaps it is easier to give effect to recommendations as regards the administration of salt than to carry out political reforms in a country like India. At any rate, I can promise that there will be no delay in dealing with the Report.

Mr. President: The question is:

"In clause 3, for the words 'one rupee and four annas' the words 'twelve annas' be substituted."

The motion was negatived.

Mr. Amar Nath Dutt: Like an unwearied beggar, I again knock at the doors of the Government and move my last amendment that:

"In clause 3, for the words 'one rupee and four annas' the words 'one rupee be substituted."

I hope the unwilling giver will now give a dole. It is a very humble and modest thing that I am asking. I am not threatening him. I hope the whole House will support me in this motion, and I shall ask the House to divide on this matter, even if the Finance Member does not agree. Without taking up more time, I once again make a fervent appeal on behalf of the famished people of India and ask the Government to accept this amendment and give as much relief as possible to the poor man in India.

Haji Abdoola Haroon (Sind: Muhammadan Rural): I rise to support this last amendment, as there are no more amendments after that. Side by side he is asking for only four annas reduction in the salt tax. I do not know whether Government are absolutely against reducing the salt tax on principle or because of financial considerations. I find, Sir, that if this amendment of my friend, Mr. Amar Nath Dutt, is accepted, by the Honourable the Finance Member, I will show him one item from which he can get that money. It is this. In the Budget he has estimated from sugar duty only 180 lakhs, whereas according to the explanatory note of the Financial Secretary, I find that, during the last three years, they have recovered an average of about 7 crores of rupees. On that basis I find that Government might recover 233 lakhs instead of 180 lakhs. Last year's income of Government from the sugar duty according to the revised figure of 1929-30 is 835 lakhs and Government probably realized 278 lakhs. The reduction of four annas duty on salt will involve a loss of about 140 lakhs, but Government will have one crore of rupees more than what they estimated from the new sugar duty, thereby they had to lose only 40 lakhs after reduction of salt duty. Considering the present position of the country, I think it is high time that Government should reduce the salt tax by four annas and earn the blessings of the suffering millions of India.

The Honourable Sir George Schuster: Sir, as a new argument has been advanced, I must just say a few words. In the first place, as regards the proposed reduction, I always maintained in the course of the debates last year that a reduction of 4 annas would really not be felt by the retail purchaser at all. I believe that, if we reduce the salt duty by 4 annas, we should be throwing away about a crore and a half of revenue and should be giving no appreciable benefit to the retail purchaser. With reference to what my Honourable friend who spoke last has said on the estimates for the sugar duty, I should be very glad indeed to believe that he was correct. But I think that in his calculations he has failed to take into account two factors. Firstly, that in the current year we are dealing with a year which has been very exceptional as regards the imports of sugar. We cannot count with any certainty on a repetition of such figures. And, secondly, he has failed to take into account that, with the increase in the duty, we must allow for some reduction in consumption. The reduction in consumption may come about in two ways. In the first place, immediately, because the increase in price will undoubtedly have some effect on the amount that is purchased. Secondly, there is no doubt that this duty which we are imposing now will have a protective effect,

[Sir George Schuster.]

and, although that may not be felt in the next 12 months, it is a factor which we are bound to take into account. I feel, therefore, that I cannot accept my Honourable friend's estimates and I must also remind him that the increased sugar duty has not yet been approved by this House. Therefore, I can hardly accept my Honourable friend's argument as a valid reason for accepting this reduction.

2 P.M.

Mr. President: The question is:

"In clause 3 for the words 'one rupee and four annas' the words 'one rupee' be substituted."

The Assembly divided:

AYES—32.

Abdoola Haroon, Haji.
Abdul Matin Chaudhury, Maulvi.
Agnihotri, Mr. K. B. L.
Aney, Mr. M. S.
Ayyangar, Mr. K. V. Rangaswami.
Bhargava, Pandit Thakur Das.
Das, Mr. B.
Das, Pandit Nilakantha.
Dutt, Mr. Amar Nath.
Dutta, Rai Bahadur S. C.
Iswar Saran, Munshi.
Kartar Singh, Sardar.
Kelkar, Mr. N. C.
Kidwai, Sheikh Mushir Husain.
Lalchand Navalrai, Mr.
Malaviya, Pandit Krishna Kant.
Mohammad Ismail Khan, Haji Chaudhury.
Moonje, Dr. B. S.
Mukerjee, Mr. Saradindu.
Mukhtar Singh, Mr.
Munshi, Mr. Jehangir K.
Neogy, Mr. K. C.
Pandya, Mr. Vidya Sagar.
Patil, Rao Bahadur B. L.
Reddi, Mr. T. N. Ramakrishna.
Sarda, Rai Sahib Harbilas.
Shafee Daoodi, Maulvi Mohammad.
Siddiqi, Mr. Abdul Qadir.
Sinha, Kumar Ganganand.
Sinha, Mr. Rajivaranjan Prasad.
Telatuley, Mr. S. D.
Venkatakrishnayya, Choudhri, Mr. P.

NOES—53.

Abdul Aziz, Khan Bahadur Mian.
Abdul Qaiyum, Nawab Sir Sahibzada.
Alexander, Mr. W.
Banarji, Mr. Rajnarayan.
Baum, Mr. E. F.
Chatterjee, The Revd. J. C.
Chettiyar, Rao Bahadur P. T. Kumaraswami.
Cocke, Sir Hugh.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Crerar, The Honourable Sir James.
Crosthwaite, Mr. H. S.
Dalal, Dr. R. D.
Ferrers, Mr. V. M.
French, Mr. J. C.
Ghazanfar Ali Khan, Raja.
Gidney, Lieut.-Colonel H. A. J.
Gwynne, Mr. C. W.
Hamilton, Mr. K. L. B.
Hardy, Mr. G. S.
Heathcote, Mr. L. V.
Hira Singh Brar, Sardar Bahadur, Honorary Captain.
Howell, Mr. E. B.
Jawahar Singh, Sardar Bahadur Sardar.
Jehangir, Sir Cowasji.
Lamb, Mr. W. S.
Lindsay, Sir Darcy.
Mitra, The Honourable Sir Bhupendra Nath.
Mitter, The Honourable Sir Brojendra.
Mody, Mr. H. P.
Monteath, Mr. J.
Moore, Mr. Arthur.
Mukherjee, Rai Bahadur S. C.
Noyce, Sir Frank.
Pai, Mr. A. Upendra.
Parsons, Mr. A. A. L.
Purshotamdas Thakurdas, Sir.
Rahimtulla, Mr. Fazal Ibrahim.
Rainy, The Honourable Sir George.
Rajah, Rao Bahadur M. C.
Rau, Mr. H. Shankar.
Roy, Mr. K. C.
Sahi, Mr. Ram Prashad Narayan.
Sams, Mr. H. A.
Sarfaraz Hussain Khan, Khan Bahadur.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Singh, Mr. Adit Prasad.
Slater, Mr. S. H.
Sykes, Mr. E. F.
Tin Tut, Mr.
Yakub, Maulvi Muhammad.
Young, Mr. G. M.

The motion was negatived.

Sir Purshotamdas Thakurdas: Sir, before I move my amendment No. 11 which stands in my name, may I draw your attention to the fact that that amendment would more appropriately come in after Schedule No. I is passed?

Mr. President: Is this not an amendment to clause 3?

Sir Purshotamdas Thakurdas: No, Sir.

Mr. President: Then, I will put clause 3. The question is:

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Mr. President: The question is:

"That clause 4 stand part of the Bill."

Sir Purshotamdas Thakurdas: Sir, may I draw your attention to the fact that my amendment is consequential on item 5 in Schedule I being retained and I therefore suggest for your consideration that the consideration of clause 4 may be left over after Schedule I is passed.

Mr. K. C. Neogy: I would rather suggest that this amendment should be an amendment to the Schedule itself.

Sir Purshotamdas Thakurdas: In any case, even then it cannot come up now. I am suggesting that my amendment No. 11 may be considered after the Schedule is passed.

Mr. President: If it is put in the form of an amendment to the Schedule, we might proceed with clause 4.

Sir Purshotamdas Thakurdas: It can come in after clause 4. The legal advice that I received is that it should be an addition to clause 4, as stated in my amendment.

Mr. President: The Honourable the Law Member's advice?

Sir Purshotamdas Thakurdas: I think from one equally reliable.

The Honourable Sir George Schuster: I think my Honourable friend's suggestion is a reasonable one, that clause 4A may be discussed after the Schedule. But there is no other alternative except to include this amendment as a special clause. Otherwise I am advised there would be difficulties as regards the provisional collection of taxes and various other technical difficulties. That is why I understand this amendment is drafted in this particular form.

Mr. President: Is that the reason why the Honourable Member has drafted this amendment in that form?

Sir Purshotamdas Thakurdas: I have been advised from the legal point of view. That is all I can say. I know what I want, and the exact legal terminology was left to persons who knew legal drafting.

Mr. President: I think the consideration of clause 4 might be adjourned.

The Honourable Sir George Schuster: Clause 4 can be put to the House now. I submit that is the proper procedure.

Mr. President: But the Honourable Member says he has an amendment to that clause.

The Honourable Sir Bhupendra Nath Mitra: But it is a new clause 4A.

Mr. President: What does it matter?

The Honourable Sir George Schuster: I submit it may be an amendment to the Bill but it is an additional clause. It is not an amendment to clause 4.

Mr. President: It does not do any harm if we postpone the consideration of clause 4 as suggested by the Honourable Member from Bombay.

Mr. M. A. Jinnah (Bombay: Muhammadan Urban): There is no amendment to clause 4. This amendment runs thus: "After clause 4 the following new clause be inserted, namely, 4A, etc." It would be clause 4A if it is passed. There is no amendment to clause 4.

Sir Purshotamdas Thakurdas: I see no objection to clause 4 being passed now. My amendment may come after the Schedule is passed.

Mr. President: The question is:

"That clause 4 stand part of the Bill."

Mr. K. C. Neogy: Well, Sir, what is the effect if clause 4 is added to the Bill? Clause 4 says that, "The amendments specified in the First Schedule to this Act shall be made in Schedules II and III to the Indian Tariff Act, 1894". If this clause is passed, Honourable Members who propose amendments to Schedule I might be precluded from doing so. Unless the Schedule itself is disposed of first, I do not think it would be quite right to pass clause 4.

Mr. President: But the Mover of the amendment has no objection.

Mr. K. C. Neogy: There are other amendments.

Mr. President: The Leader of the Independent Party was landing us into some trouble, if the view of Mr. Neogy was to prevail.

Mr. M. A. Jinnah: That was far from my intention. My point was a very simple one. Probably I have not been properly understood. As far as this particular amendment of my Honourable friend, Sir Purshotamdas Thakurdas, is concerned it is not an amendment to clause 4. That is all that I say. What my Honourable friend Mr. Neogy is saying is a very different thing altogether.

Mr. President: The Honourable Member wanted clause 4 to be put to vote.

Mr. M. A. Jinnah: I did not say so, Sir. I say, so far as we are concerned this is our position. I did not say there was no other amendment to the Schedule.

Mr. President: Then the original decision of the Chair that clause 4 should stand adjourned remains.

The Honourable Sir George Schuster: Sir, I submit that if you give that ruling, you will be departing from what has been the usual practice in discussing the Finance Bill. All the provisions as regards postal rates and income-tax are always settled by Schedule, and it frequently happens that amendments to the Schedule are afterwards considered; but that does not prevent the clause which is in the body of the Bill being passed in its proper order. I submit that when the Schedules contain in themselves alterations in taxation as compared with the previous year the practice should be just the same as it is when the Schedules contain no alterations as compared with the previous year, but are subject to proposals for amendment standing in the names of Honourable Members. I submit, Sir, that the proper course to be followed is to take these clauses in order as they stand in the Bill.

Mr. President: Would the acceptance of clause 4 mean the acceptance of the Schedule as it stands?

Several Honourable Members: No.

The Honourable Sir Bhupendra Nath Mitra: The Schedule will be put later on and then everybody will have an opportunity of bringing forward his amendment.

Mr. M. A. Jinnah: If I may point out most respectfully, that also seems to be clear. Clause 4 says this:

"The amendments specified in the First Schedule to this Act shall be made in Schedules II and III to the Indian Tariff Act, 1894."

If it is understood that, whatever amendments will be made in the Schedule hereafter, would stand part of clause 4, then it is all right. But if it is understood that no amendments can be moved to the Schedule after clause 4 is passed, then it is all wrong. Therefore I leave it to you to decide this point as you think best. But it seems to me, speaking for myself, that it will be open to the Honourable Members to move their amendments to the Schedule although clause 4 is passed.

Mr. President: I do not agree with the Honourable the Finance Member that the practice has always been to take the clauses of the Bill in the numerical order. Exceptions have been made in the past where the consideration of particular clauses has been postponed. I do not see any difficulty about it. Where circumstances justify the adoption of such a course, there is no reason why we should not do so. I know that in the past we had postponed consideration of particular clauses until other clauses were disposed of.

The Honourable Sir George Schuster: I must leave a ruling on this matter to you, Sir. My argument simply was that the mere fact that a clause was passed referring to a Schedule did not commit the House to accepting that Schedule as it stands in the Finance Bill.

Mr. President: That is a different matter altogether and I would be prepared to accept his view on that point.

The Honourable Sir George Schuster: I understood that that was your reason for suggesting a postponement of this clause. But I venture to submit that that was a reason against which there were many valid arguments. But if, in your opinion, it will be more convenient that this clause should be postponed. I certainly do not intend to press my objection to that course.

Mr. President: I think it will facilitate the consideration of the Bill as a whole if we postpone the consideration of clause 4. The consideration of clause 4 is therefore postponed.

The Assembly then adjourned for Lunch till Twenty-five Minutes Past Three of the Clock.

The Assembly re-assembled after Lunch at Twenty-five Minutes Past Three of the Clock, Mr. President in the Chair.

Clause 5 was added to the Bill.

Mr. President: The question is:

"That clause 6 stand part of the Bill."

Pandit Thakur Das Bhargava: Sir, I move:

"That to sub-clause (*3*) of clause 6 the following proviso be added:
'Provided that in the case of the Hindu undivided family each member of such family shall be assessed separately and his total income shall be deemed to be an income to which such member would have been entitled if such member were not joint'."

Sir, every year since the present Assembly came into existence, this motion has been moved on the floor of this House and every year the reply given by the Honourable the Finance Member has been disappointing. If once for all the reply came from the Government that they are not going to make the change in the law—a change which is founded on justice and equity, no further alteration need have been attempted, but the justice of the amendment has always been realised, and we have always been hoping that something will be done in this respect by the Government, and it is in that hope that I am pressing this amendment. Sir, the point involved is very simple. The question is whether the Hindu joint family is to be penalised, because Hindus are usually taken to live in the social group known as the joint Hindu family. So far as the individual is concerned, there is no difference between a Hindu and a non-Hindu as regards liability to taxation. As soon as it comes to a collection of individuals, the difference arises. In the case of non-Hindus, if two or more persons live together, they are taxed separately. Their income is divided on the number of persons affected and they become liable to income-tax only if their income exceeds the minimum. But in the case of a joint Hindu family, which must consist of more than one member, the income is not divided between the persons constituting that family; but the total income is taken to be the income of the various persons constituting that family and the family is taxed as such. To illustrate my point, if two persons have an income of Rs. 3,000 a year, if they are non-Hindus, they will not be taxed, whereas, in the case of Hindus, their income will be taxed on Rs. 3,000. Now, it is not an uncommon thing to find a Hindu joint family being constituted by, say, six or eight members. In a case of this nature, an ordinary calculation will show that persons earning only Rs. 15 or 20 a month will come within the purview of the provisions of the Income-tax Act as their joint income is going to be taxed. Now, Sir, according

to section 14 of the Income-tax Act, the compensatory advantage which is sought to be given to the Hindu joint family may be illustrated thus. If a Hindu joint family has got income of Rs. 2,100 and one of the members of that family has got a separate income of Rs. 4,900, in that case the special income will be assessed, but the rate by which it will be assessed will not be the one which it would have been if the income was more than Rs. 5,000; so that in cases in which individuals have got large incomes, there is a compensatory advantage. But, Sir, in pressing the amendment before the House, I have never concealed my desire and I have always clearly expressed that I wish that this compensatory advantage may be taken away from the rich Hindu family.

Sir, I do not want to claim any special privilege or special concession for the Hindu. I want that he may be taxed like his Muhammadan or Parsee or Christian brother. At present, there is some advantage to richer families of the Hindus, and a disadvantage to the poor families of the Hindus. Now, Sir, this is a policy of robbing Peter to pay Paul. I do not know how a poor family living in the Punjab will feel the solace of section 14 if, in accordance with the provisions of that section, a family in Bengal is profited. I would, therefore, submit, Sir, that this compensatory advantage is also an advantage which discriminates between the poor and the rich families, and there is no reason why the rich families should be allowed this advantage. This amendment makes the whole position quite clear, and it is on the basis of the uniformity of taxation that I claim that this amendment should be accepted by the House. I want, Sir, that the members of the Hindu undivided family may be taken as if the family was divided, and on that basis, each individual may be taxed. Now, Sir, it is an admitted proposition that the Hindu joint family is not an economic entity. It is a social unit, and there is absolutely no reason why three or four persons living together, who are Hindus, should be taxed, whereas if the non-Hindus live in the same way as the Hindus usually do, they should not be taxed. It is not that I want that persons other than Hindus should be taxed as members of joint families. I want that the position of the members of Hindu joint families should be assimilated to the position of the members of other joint families other than Hindus. That is my claim.

Now, Sir, an objection may be raised that the Hindu joint family is in the nature of a corporation, but the objection has only to be stated to be refuted. May I humbly inquire from the Honourable the Finance Member if he thinks that a family of Jats and Rajputs living in a village, a family of chamars, or a family of Brahmins having agriculture as their means of livelihood, in which some of the members have recourse to trade, can be taken to constitute a trading concern or corporation? In this way I do not see why there should be a difference between the case of Hindus and others than Hindus. I would submit, Sir, therefore, that, in the interests of uniformity of taxation, it is necessary that the members of a Hindu joint family should be treated as if they had already divided. Now, Sir, as we all know, there is an initial presumption of law that all members of a Hindu family are undivided; that every Hindu family is a joint Hindu family. But from the conditions of social life, it is clear that that presumption has lost its strength. In the Punjab, the High Court of the Punjab has held in many rulings that the Hindu joint family of the Hindu Law does not exist in practice. As late as the year 1889 they held, as reported in P. R. 102, of 1889 that the Hindu joint

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family as such does not exist. In regard to other provinces also I can say confidently that the Hindu joint family, as used to exist in olden times, does not at present exist. The impact of modern civilization and other causes have, as a matter of fact, affected the Hindu joint family, and now we do not find the theoretical Hindu joint family in existence. But there is an initial presumption, and as soon as an assessee goes to an Income-tax Collector, there the threat is made, "You are a member of a joint Hindu family; the burden is on you to prove that you have ceased to be a member of a joint Hindu family".

Now, Sir, as opposed to this, that the initial presumption of Hindu Law is that a Hindu family is joint, there is another presumption of law which has been lately pronounced by the Honourable the Judges of the Privy Council. According to the Privy Council ruling every member of a Hindu joint family has got the key of separation in his own hands; he has only to declare that he has ceased to be a member of a joint Hindu family, and then and there the joint family ceases. In such a condition it becomes generally difficult for any income-tax officer, or even for the law courts to find out whether a Hindu family is joint or is not joint. In many cases the condition of the family and the relations between the various members are such that it is difficult to predicate of any family that it is joint or separate. Generally speaking, Sir, when the various members of a Hindu joint family do not live in the same place the state of that Hindu family is in a state of flux; one member acquires property: the other member whenever he comes to live with him lives in the same family without being charged anything, but as soon as he goes away to another place, he incurs his separate expenses and keeps his income separately. But as soon as member comes before the income-tax officer, inquiry is started as to whether a particular property alleged to belong to the joint Hindu family is a self-acquired one or a joint one. That at once gives rise to disputes and the minds of the various members of the family are agitated against each other; they begin to think that in the final partition this property will come to that man, or that property will not come to that man, and to question whether it is joint property or separate property. It happens sometimes that there are certain properties of which no member of a family can state at a particular time whether they are really joint or really separate, so that litigation sets in and the provisions of this Income-tax Act act as a great disruptive factor in the joint Hindu family. Now, Sir, any person who is not very much enamoured of the joint Hindu family system may like those provisions as tending to disintegrate the joint family system rather rapidly, but then, Sir, I would submit that a right-minded man would not like that the provisions of a law of this nature should interfere with the Hindu joint family and break it up in this way. At present these provisions give rise to disputes and litigation, which I do not think was the intention of the original framers of this Act.

Now, Sir, legally speaking or theoretically speaking, it may be argued that in a joint Hindu family you cannot say that a particular portion of income belongs to a particular member, or a particular item of property can be said to be the separate property or to be the ascertained property of one particular member. Now, Sir, to start with, I may point out that there are two systems of Hindu law which can apply to Hindu joint families. So far as Dayabhaga is concerned it is clear that such objection is untenable. According to Dayabhaga law, the interest of every member of a

Hindu joint family is separate and ascertained, and there is no reason why, in the case of those who follow the Dayabhaga law there should be any difficulty about it, because, according to that law, each person's share is ascertained and separate. In regard to Mitakshara law also I would submit that the Government regarded the Hindu joint family as a separate family in relation to another Act. I will refer you in this connection, Sir, to the Report of the Taxation Enquiry Committee. On page 275 in paragraph 374 of their Report they say:

"It is sometimes urged that inheritance taxation ought not to apply to the property of a Mitakshara joint family on the ground that, on the death of a co-parcener belonging to such a family, there is no mutation or acquisition which gives occasion for the levy of a duty. But it cannot be denied that a member of a Mitakshara joint family possesses a beneficial interest in the properties of the family during his lifetime, which he can sell or mortgage, and in some provinces, even dispose of by gift, and of which he can get a partition during his lifetime by suit, or effect severance by a mere unequivocal declaration communicated to the other members of intention to hold separately. This interest clearly passes on the death of the member, and is therefore a proper subject for a tax in the nature of a mutation duty. In the similar case in England, where property or an interest in property passes by survivorship, it is valued for purposes both of estate duty and succession duty. Again, in the Bill to amend the Court Fees Act now before the Central Legislature, it is expressly provided that, if any member of a joint Hindu family governed by the Mitakshara law applies for probate or letters of administration in respect of the estate of a deceased member of the joint family, such estate shall not be deemed to be property held in trust, and the applicant shall pay a fee on the value of the share in the joint family property which the deceased would have received if a partition of the property had been made immediately before his death. In the opinion of the Committee, this provision is based on the correct principle that there is no objection to subjecting to duty property or an interest in property passing by survivorship on the death of a co-parcener in just the same way as property or an interest in property passing by inheritance is so subjected."

Now, Sir, may I inquire if a member of the Hindu joint family can be treated as a separate member for the purpose of the Court-fees Act, in order to take from him duties on the death of a particular member, what justification is there for the Government not to treat him as a separate member in regard to assessing him to income-tax? It is true that, in one case, duty is taken from him, and in the other case the liability to being assessed to income-tax is taken away from him. After all, what is the difference between a Hindu joint family and a joint family of Parsees or Muhammadans? The difference is only this, that in the case of inheritance, survivorship obtains in one, while in the other it does not. Has the Muhammadan law of inheritance anything to do with income-tax? I think, Sir, that, so far as the legal question is concerned, and the theoretical aspect of the case is concerned, there is absolutely no justification for treating the joint Hindu family as a unit for taxation. If you will see the provisions for super-tax, you will be pleased to observe that, in the case of a joint Hindu family, a family is not liable unless the income of the family is Rs. 75,000, whereas, in the case of an individual belonging to any faith other than that of the Hindu, the income must be more than Rs. 50,000. Now, Sir, the difference has been realised, but is that enough? Can there be any family in which there are less than two members? So that practically every Hindu, who has got an income of Rs. 37,500 is liable to super-tax, whereas in families other than Hindus the minimum is only Rs. 50,000. I therefore submit that there is absolutely no justification for regarding the members of a Hindu joint family as being liable to tax in their capacity as members of that family.

In regard to corporations or firms, there may be a justification. Now, if you will see the provisions of the Civil Procedure Code, a firm as such

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is recognised, it has got a legal position, it can sue and be sued, but as regards Hindu joint families there is absolutely no justification why, for this purpose and for no other, the Hindu joint family should be regarded as a unit.

Now, Sir, last time when this point was raised in this House, the Finance Member was pleased to admit that the poor Hindu families were, to a certain extent, penalised at the expense of rich families, and he said that, when a general revision of the Act was undertaken, this question would be considered. But, Sir, how long are we to wait? And is it justifiable? If you accept the justice of the case, it does not lie in your mouth to say that you will delay in making a change in the law for a single day, for after all you must realise that you are taxing the poor man for no fault of his except that he belongs to a joint Hindu family.

Now, Sir, I will address a word to the various parties in this House. So far as the Government are concerned, I have submitted already that they have admitted the justice of the claim and they are only waiting for a general revision of the Act to consider the whole position. Now, Sir, I gave notice to bring in a Bill in this House for that purpose and sought the sanction of the Governor General in Council, but unfortunately I was not granted sanction to introduce that Bill. When this question arose last time, it fell from the mouth of the Honourable the Law Member that if a Bill of this nature came from Mr. Jayakar, he would be pleased to consider the question more favourably. On another amendment I brought this fact to his notice, that he had already made a statement and asked Mr. Jayakar to bring in a Bill as a substitute for my Bill, and he said that he gave no such assurance and resiled from the position. But, Sir, the position is this, and I know the reply of the Finance Member. He will again say that, unless a general revision of the Act is taken up, any attempts to change the law in this manner would be in the way of amateur legislation—I am using his very words, which he uttered on the last occasion. But then the difficulty is, if you bring in a regular Bill, the Government would not give sanction; if an amendment is brought forward in this way, they say they cannot effect any change by way of amateur legislation. Then how are we to change the law?

Then I shall say a word to the European Group also. Sir, in 1928 at the instance of one of the members of the European Group, we accepted the principle in this House in respect of uniformity of taxation, and a cut was carried through this House with the help of the votes of this party, as well as with the help of the other parties. This House and the European Group are therefore wedded to the principle of uniformity of taxation, and I expect, Sir, that in this particular instance, this party, who always claim to look at every question on its merits, will do me the justice of looking at this question from that standpoint, and if they think that a member of a Hindu joint family should not be penalised because he is a member of a Hindu joint family, they will vote with us on this question.

Sir, I need not address the Independent Party on this question, because they have always claimed, and claimed only some days back, that they also decide all questions on their merits. I hope, Sir, that this party also will look to the justice of the claim and vote with us. I may remind this party that many of its members, on previous occasions, have voted in

favour of this amendment, because they recognised the justice of the claim, and I beg of the leaders of all parties to consider this question dispassionately and see the justice of the claim I have made.

As regards the Muslim Party, Sir, who claim to be a democratic party, I hope they will recognise there is nothing communal about my claim. It is a square question. I do not want any special privileges for the Hindus. I want that they should be treated in the same way as non-Hindus are treated.

As regards my party, I need not appeal to them. The Hindus are disorganised. They do not care for their interests, and in this case it so happens that the poorer families of Hindus are affected, because this question, which has been discussed on the floor of this House during the last so many years, has not received the consideration it deserves. I would therefore beg of the Government and the various Members in this House to consider this amendment favourably.

Mr. Lalchand Navalrai (Sindh: Non-Muhammadan Rural): Sir, I rise to support this amendment. This question has been coming up in this House for a very long time, because it is well known that the income-tax law is not dealing justly and fairly with Hindu joint families. Sir, I am on principle against the income-tax altogether. I sent in a cut on Demand regarding income-tax the other day, but it was ruled out of order. I do not propose to deal with that question now. If I get an opportunity at the third reading of the Bill, I shall deal with it and also with certain other wrong policies of the Government, to which I desired to draw the attention of the House on previous occasions. At present, Sir, I fully support this amendment that each member of a joint Hindu family shall be assessed separately and not on the total income of the family.

Now, Sir, it is not necessary to make a very long speech in support of the motion made by my friend who has preceded me. Many of the salient points have been covered very ably and I would only submit a few words. When the income-tax was first introduced, there was a time when, even an income of Rs. 1,000 was assessable. Then it was considered that that was not just, because the poor people were being affected, and the limit was raised to Rs. 2,000, and that is the minimum taxable income at present; but so far as a member of a joint Hindu family is concerned he is taxed even though he earns less than Rs. 2,000. What an anomaly! What really happens in the case of a Hindu joint family is this. I shall give a concrete case. There are three brothers; one is earning Rs. 1,000, the other 500 and the third another 500. If these brothers were separate, none of them would be assessed at all, but in this case the income-tax officer will total up the income of all the three, and assess them on an income of Rs. 2,000. Is this fair? Is this reasonable? I ask. I submit that this procedure is very unjust, and the hardship should be relieved; again what further actually happens in practice of which several instances have happened, is that when the income-tax officer, while assessing income-tax, finds that there are brothers who actually live separately and also earn separately, but have some joint family property in lands and in houses only, and he holds them as members of a joint Hindu family, and charges them income-tax on the aggregate income of such brothers. Now,

earn Rs. 2,000 and happen to be members of a joint family, are assessed to income-tax, but if they were not Hindus none of them would be assessable to income-tax. Now, the Honourable the Finance Member must see the gross injustice of such an action by the Income-tax Department—if what my Honourable friend Mr. Lalchand said is correct— and he will surely agree that this is a great hardship on the middle class Hindu families, and I wish to inquire whether he is prepared to take the discussion in this House from year to year as sufficient indication of this very strong feeling, which exists among the Hindus, and, whether he will circularise the Provincial Governments and try to get the opinions of such bodies as he may consider to be representative. Surely, Sir, because Hindus have not agitated against this injustice till now, as was mentioned by my friend, Mr. Lalchand, it should not give the Government the impression that the Hindus have no grievance at all. I submit, therefore that, if he does not want this motion to be pressed, he should at least assure us that the Government of India will try to find out from such quarters as they consider representative, Hindu opinion as to what the feeling is, and try and devise some procedure, which, whilst avoiding any special treatment to Hindus by way of a privilege, will at least ensure that the middle class Hindu families do not suffer owing to their peculiar system. I do not think that anybody can say that my Honourable friends Pandit Thakur Das Bhargava and Mr. Lalchand Navalrai are asking for any extraordinary treatment which is out of the way. If the Honourable the Finance Member is prepared to say that Government will move in that direction, I am sure my Honourable friend Pandit Thakur Das Bhargava will not like to press this amendment. If no such assurance, however, is forthcoming, and if the Governor General must refuse permission even to the introduction of a private Bill, I am afraid there will be no option left for us but to press this amendment and repeat this as a hardy annual every budget time.

Sir, it is no good saying that we cannot consider this on the Finance Bill. We cannot consider it on the Finance Bill because the time at our disposal is short. The question is a complicated one. We cannot consider it during the rest of the weeks of the year—51 weeks in the year—because the Governor General will not give the necessary permission. Surely it is a vicious circle out of which this House must help the Hindus to get out. I therefore strongly appeal to my friend to clear up the matter and to get the Government to move in the direction which will bring the Hindus, as is due to them, as citizens of India, on a par with the citizens of the other communities.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, there is one observation that has fallen from the Honourable the Finance Member, which I have never been able to understand. He says that if there is a strong general feeling in the country for the change of law, then the Government would consider the desirability of introducing legislation for that purpose. Now, I ask Honourable Members in this House, I ask the Honourable the Finance Member, what are we here for? Are we not the representatives of the people, and are we not the plenipotentiaries of the public whose cause we represent? (Cheers.) I submit, Sir, that if there is a strong feeling in this House, it must be assumed as a strong general feeling in the country whose voices are

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represented by those of their representatives in this House. I submit, Sir, that there has been, for a long number of years, a strong expression of opinion on behalf of the non-official Members of this House, that this branch of law requires to be altered. The Honourable the Finance Member must make a note of it, and without waiting for a protest from a wider public, he must immediately examine the position, and with the help of such Members as he can invite to a conference with him, he should rectify the mistake. That is my first submission.

The second question that the Honourable the Finance Member has raised is a question which is wider than the first. He says, I admit that the Hindu joint family system is a unique institution in this country, the family being the unit instead of the individual and consequently the taxing person is the Hindu joint family. Honourable Members on the other side have pointed out that that very fact was ignored when the income-tax law was enacted, and the result has been the creation of anomaly after anomaly, which have resulted in taxing members of a joint Hindu family because they happen to be members of a joint Hindu family. Take for instance incomes below Rs. 2,000. Supposing there are five brothers, and if all put their heads together and if all make Rs. 500 each, the joint Hindu family would be taxed because their aggregate income exceeds the individual income of every Member of that joint Hindu family. I submit, therefore, that there is an anomaly and that anomaly requires to be corrected. It does not require much public opinion to back the movement that has taken place in this country. As a matter of fact it has been voiced by Members of this House year after year that it is a palpable and apparent anomaly which requires to be corrected. That, I submit should be a sufficient justification for the Honourable the Finance Member to take action.

There is a third point. The Honourable the Finance Member speaks of Mr. Jayakar's Bill and he points out that, when some of the Honourable Members on the opposition side speak of their joint Hindu family, the implications go far beyond the implications of Mr. Jayakar's Bill. That may be so, Sir, but when the Hindu law was sought to be clarified by enunciating as to what is the income of a joint Hindu family and what should be regarded as individual acquisitions of the members of that family, the first to oppose the enactment of that law were the occupants of the Treasury Benches. Sir, three or four years ago a Bill was introduced called the Hindu Co-parceners Liability Bill, and that Bill went to the Select Committee, and afterwards on account of various reasons, into which I need not enter now, that Bill was not proceeded with. I have no doubt that there is a strong body of opinion on the part of Hindu Members of this House that that branch of the law should be clarified, but when we make an attempt to clarify that law, we meet with opposition. The result, therefore, is that the law remains obscure because we have no means of clarifying it, and because it is obscure, therefore it leads to anomalies, and because it leads to anomalies, my Honourable friends on the other side say, "Well, these are anomalies, but we do not see how these anomalies can be removed unless there is a consensus of public opinion crying out for removal of them. I submit, Sir, it is a perfectly clear case. The anomaly is there, and I have no doubt that the Honourable the Law Member knows that the anomaly is there, and

if the anomaly rests there, it has to be rectified whether there is public opinion outside this House in favour of it or not.

Nawab Sir Sahibzada Abdul Qaiyum (North West Frontier Province: Nominated Non-Official): Is the Honourable Member sure that there will be no agitation against a Bill of this sort on the ground that it is going to destroy or dismember Hindu society or family life?

Mr. M. A. Jinnah: May I ask the Honourable Member, Sir Hari Singh Gour, whether he would suggest how it could be done? He did not suggest anything. He did not suggest any way of doing it.

Sir Hari Singh Gour: I have a very easy way of suggesting it. I beg to suggest that, so far as income-tax officers are concerned, they must take the individual income of each member of a joint Hindu family. Instead of taking the collective income of all the Members of a joint Hindu family for the purpose of income-tax, treat the members of a joint Hindu family as if they had belonged to Mr. Jinnah's family.

Mr. M. A. Jinnah: Thank you.

The Honourable Sir Brojendra Mitter (Law Member): Sir, the Honourable Sir Hari Singh Gour said that there was an anomaly in the law. I contest that. There is no anomaly whatsoever. A Hindu joint family is a unit. The jointness of a Hindu family consists of three elements—jointness in food, in worship and in estate. When there is jointness in these three matters, then the family is a joint family.

Pandit Thakur Das Bhargava: Then does the Honourable Member mean to say that, if there is absence of even one of the elements, the family ceases to be a joint family? If a person is not messing jointly, does he not remain a member of a joint Hindu family?

The Honourable Sir Brojendra Mitter: The idea is that jointness must be in these three things conjunctively and not disjunctively, jointness in food, in worship and in estate.

Sir Hari Singh Gour: These are the incidents not prerequisites of a joint family.

The Honourable Sir Brojendra Mitter: The Privy Council in a series of decisions has laid down that directly any member of a joint family signifies his intention of taking his share separately, the jointness *ipso facto* comes to an end. For separation all that a member has to do is to declare his intention that he would take his share separately. He need not actually take it separately, but directly he signifies his intention that he shall take his share separately jointness comes to an end. In that case he can immediately claim to be assessed as an individual and not as a member of joint family. It is entirely in his hands whether he should continue to be a Member of the joint family or he should enjoy his income separately. There is no anomaly in the law. Ordinarily the individual is the unit; he is assessed on his income. In the case of the joint Hindu family, the individual has no separate existence; it is the collection of individuals who compose the joint family. When a joint family is the unit, all the estate belongs to that family. The estate does not belong to any one of them. In other words, each one of them is the owner of the whole, but no one can say, "I have got so much share in that joint family property". How can you assess a particular member who has no definite share under the existing Hindu law.

Pandit Thakur Das Bhargava: Why?

Mr. M. S. Aney: How?

The Honourable Sir Brojendra Mitter: You can change the Hindu law by breaking up the joint family and give a share to each member of the Hindu family. In that case each individual's estate would be assessable. Now, these are the difficulties in the way of an amendment like this. You cannot change the income-tax law without at the same time trenching upon Hindu law. If it be the view of this House that the Hindu law in this respect should be changed, that is quite a different matter. But in that case I at any rate would advise Government to circulate that Bill for opinion of the different Hindu communities. We have had difficulties in the past in a matter like this which trenches upon one of the fundamental policies of Hindu law. If you want to change it, it cannot be done by a side-wind in the shape of an amendment to the Finance Bill. A matter like this should be canvassed all over the country and the orthodox as well as the reformers ought to be given full opportunity to consider the matter and then a measure should be brought before the House.

Mr. President: Who should bring the measure?

The Honourable Sir Brojendra Mitter: The reforming Hindus who want it.

Sir Purshotamdas Thakurdas: The Governor General will not give permission, and that is the whole point about it.

The Honourable Sir Brojendra Mitter: The Governor General will always give permission to the introduction of a Bill provided the Bill is not absurd on the face of it.

Pandit Thakur Das Bhargava: I applied for sanction and sanction was not given when I brought in a Bill in respect of this very matter. The Honourable the Law Member on the last occasion said that if the Bill were brought in by Mr. Jayakar he could consider the Bill, and when I brought this matter up again he said that he was in sympathy with this aspect of the question but that did not give any assurance with regard to it.

The Honourable Sir Brojendra Mitter: On what subject was this Bill brought?

Pandit Thakur Das Bhargava: Last year on this very amendment.

The Honourable Sir Brojendra Mitter: And did I say that, if Pandit Bhargava brought in the Bill I would object to it, but if Mr. Jayakar brought it in I would consider it? I never said anything so absurd as that.

Pandit Thakur Das Bhargava: With your permission, Sir, I will read it out. This is what the Honourable the Law Member said, and I am reading from page 2401 of last year's debates:

"I did not say that; I said that if Mr. Jayakar were to bring in a Bill of that description, personally speaking I would be in full sympathy with such a measure. All I am saying at the moment is that the House ought not to effect a revolutionary change in Hindu society by way of amending the Finance Act."

Then again he said:

"Sir, I have listened carefully to my Honourable friend Mr. Jayakar's speech. I am sorry I was not here just at the start, but I do not think I have missed the point which he has made. The point which I understood him to make is this. He said here is an opportunity to effect a social reform by accelerating or helping the disintegration. . . . "

The Honourable Sir Brojendra Mitter: Sir, I have got the passage and if my Honourable friend will pardon me I will read it out. This is what I said:

"If a proper measure were brought in by my friend Mr. Jayakar, probably I should vote with him."

This is all that I said.

Mr. Amar Nath Dutt: Not if it is brought by others?

The Honourable Sir Brojendra Mitter: There is no discrimination. I was dealing with an argument which had been advanced by Mr. Jayakar. He was making a certain suggestion, and all I said was that, if Mr. Jayakar were to bring in a proper measure, I would probably vote with him; and every time would I vote for it if a proper measure were brought before the House. Half-digested and ill-timed proposals like this I would never sympathise with nor vote for. This is much too important a matter to be brought before the House in the Finance Bill by a sort of side-wind which cuts across a fundamental principle of Hindu law. You are affecting the rights of members of Hindu joint families; you are breaking up Hindu joint families. What is the implication of this?

Sir Hari Singh Gour: How would a fiscal statute modify Hindu law?

The Honourable Sir Brojendra Mitter: Every statute should be consistent with the personal laws of the people to whom it applies, and since the fiscal laws apply to Hindus they should not be inconsistent with their personal laws. The implication of the amendment is very serious, because once you admit that the share of a particular member of a family can be separately treated, you immediately dissolve that joint family. It goes even beyond a mere declaration of intention. He is taking his share; he is paying the assessment upon his share. Once you have the idea that he has got a share there is an end to the joint family.

Sir Hari Singh Gour: Does the Honourable Member know that the Privy Council have, in a series of cases, laid down that the mere definition of shares in a mutation register has no effect upon the jointness of a family, becaue it is only a revenue entry and therefore it cannot affect Hindu law?

The Honourable Sir Brojendra Mitter: I am not to be drawn into a controversial discussion about the Privy Council decisions. The Privy Council decisions on this subject cover about half a century and they have changed from time to time, and what I gave the House is the view of the Privy Council which is now the law of the land. The idea of a separate share is inconsistent with the idea of a joint family, and if you are going to assess a share separately, then you are going counter to the whole idea of a joint family. My point is this. In the present Income-tax Act there is no anomaly. It is perfectly consistent with the existing notions of Hindu law and the proposed change would be inconsistent with such notions, and such an important change should not be brought in by a side-wind.

Mr. M. S. Aney: Sir, it has been my misfortune that I had to differ from my Honourable friend the Law Member on this question last year and this year too. All that he has been insisting upon since last year is that, unless the fundamental conception of Hindu law is changed, no change even for fiscal purposes can be introduced into this law. I believe he is unnecessarily straining the point. All that has been demanded here is, not that Government should take upon itself the burden of considering the whole question of the joint Hindu family system and the various principles which govern it, but for the purpose of taxation, it is asked that individuals having their individual income should be entitled to be assessed only on that income and that income should not be considered as part of the joint Hindu family income.

The Honourable Sir Brojendra Mitter: Sir, if my friend will pardon me for a minute will he answer this? Supposing the tax is not paid, will the share be liable to be sold in execution? When the joint family still continues but for fiscal purposes you separate the share, and the tax is not paid, could that individual's share in the joint family be sold in execution for the realisation of that tax?

Mr. M. S. Aney: I cannot understand why the ordinary law of recovering arrears of income-tax should not apply to that case.

The Honourable Sir Brojendra Mitter: Will the whole joint family property be liable?

Mr. M. S. Aney: When a man who is a member of an undivided Hindu family is found to be an offender and the court punishes him with a fine, how is the fine recovered from that man? By putting certain properties of the joint family to sale for that purpose, and the fine is recovered. So also if a man who is a member of an undivided joint family incurs debts and the creditor files a suit against him, how is that debt recovered? That rule will hold good,—the rule by which individual liabilities incurred by a member of a joint Hindu family are satisfied today,—that very procedure will hold good in the recovery of income-tax from a man assessed on his individual income, although he is a member of a joint Hindu family. I do not see any difficulty in the matter at all. The only thing is this. My Honourable friend has not yet put his head properly into this question and examined it in all its details. It generally comes before this House in the form of an amendment to the Finance Bill, and he gives his thoughts to it for a few moments that are available to him, and therefore he says that this question is beset with difficulties which according to him are insuperable or insurmountable. Members on this side have to think all along, and if there is an intention on the part of the Government to bring about this change, then these little difficulties could be provided for. But the difficulty is to convince the Government that this is a practicable thing. Simply because it means a certain amount of loss of revenue to the Government, they are not prepared to accept this. That is the difficulty. Otherwise for certain purposes the Hindu member is sometimes treated as an ordinary individual, and my Honourable friend knows that, in the case of the Transfer of Property Act, also an amendment was moved by him to the effect that, for purposes of interpreting provisions of Chapter II of that Act the personal law of the Hindus and Buddhists should be entirely ignored. At that time the question of the entire change of the whole Hindu law did not arise. When the Government is determined upon ignoring the Hindu law, as such, they have got convenient reasons for doing so. But when they find that any departure involves them in a pecuniary loss, they are not prepared to accept it. Then they say that the question of the Hindu law must be considered as a whole. It is certainly a convenient argument to perpetuate the wrong.

Besides, there is another point. My Honourable friend, Pandit Thakur Das Bhargava had actually given an amending Bill and applied for sanction, but the sanction was not given. I am assured by him of this, though the grounds on which it has been withheld may be quite different from those he mentions. He says that the sanction was withheld because it was not Mr. Jayakar, but it was he. But I do not accept it. He seems to be under a misunderstanding. The fact is, this being a fiscal measure, an amending Bill, requires the sanction of the Government, and Government would not give it. If we come forward with amendments to the Finance Bill, they say, that they cannot deal with the subject in this piece-meal fashion, and the whole law must be carefully considered. In this dilemmatic position we Members on this side are placed, and we can therefore only record our protest and remain content with whatever the Government can carry with the votes of the majority which they command.

The Honourable Sir Brojendra Mitter: May I make this offer? If any of my friends on the Opposition Benches will prepare a Bill and send it to me, I shall thoroughly examine it with him or with a small committee of the House, if that be the common desire and then see how far we can meet them. We cannot do it in a manner like this.

Pandit Thakur Das Bhargava: In view of the assurance of the Honourable Member, I beg leave to withdraw my amendment.

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

Clause 6 was added to the Bill.

Mr. President: The question is:

"That clause 7 stand part of the Bill."

Mr. M. S. Aney: Sir, I move:

"That clause 7 be omitted and the subsequent clauses be re-numbered accordingly."

Clause 7 of the Bill is this:

"In proviso to section 5 of the Indian Finance Act, 1922, for the words 'one anna' the words 'one anna and six pies' shall be substituted."

There is an excise duty of one anna on kerosene according to the Indian Finance Act, 1922, and that duty is sought to be increased by half an anna by clause 7 of the present Finance Bill. My object is to do away with this excise duty altogether. That is the net result of the amendment I am moving. There is another amendment of which I have given notice to clause 4. According to my understanding of the question, the increase in the excise duty necessarily means an addition to the cost of production of that article, and that addition in the cost of production is bound to be reflected in the price at which that article will be sold to the consumers. Now, kerosene is an article which is universally used by all from the poor up to the richest man, and I am against, as far as possible, any taxation which is likely to affect adversely articles of

[Mr. M. S. Aney.]

necessity, particularly for the poorer classes. Therefore, if we do away with the excise duty altogether and also the import duty, the result will be that there will be greater quantities of imported oil in this country, and the cost of production of the article locally will also be reduced, and in that competition, according to my understanding, the price of kerosene will naturally go down lower and lower, and the article will be available to the consumers at a rate lower than what it is today. Honourable Members will remember that there was a Tariff Board inquiry as regards oil two years ago and that Report is published. On account of a combine. the two companies, the Burmah Oil Company and the Standard Oil Company, have managed to sell petrol and kerosene oil in this country at a rate much higher than what they should have done, and the little competition which we had from imported oil could not succeed in putting down the rates at which these companies sold the oil in this country. In fact. it has been held in the Report of the Tariff Board—I do not exactly remember the passage—that the net burden which the Indian consumers have to bear on account of their annual consumption of petrol and kerosene oil up to the year under inquiry in this country is something coming up to 5 crores of rupees annually in excess of what he should have ordinarily to pay if it was sold at equitable prices. That is the finding by the Tariff Board. Now, if the increased excise duty is sanctioned by us, and if the small reduction of the import duty which the Finance Bill proposes to make will not succeed in putting down the price, as is anticipated, in my opinion the increase of half an anna will, on the other hand, impose on the poor Indian an additional burden of, say, about 50 lakhs of rupees, which is calculated to be the income likely to accrue from this increased duty, in addition to the 5 crores already existing as calculated by the Tariff Board. It is on that understanding that I have moved this amendment. If I get some explanation which shows that I am mistaken, then I will consider what I should do with my motion. But I think that the proposal of the Government is not likely to reduce but rather to increase the price of the kerosene and make it more costly to the consumers. I therefore move my amendment.

Mr. W. S. Lamb (Burma: European): Sir, I am not quite sure about the effect of this amendment. According to Mr. Aney, apparently he desires to take off the whole of the excise duty. Is that his intention or is he merely moving his amendment against the Government's proposal to increase the excise duty from one anna to one anna six pies?

Mr. M. S. Aney: I only want to cancel clause 7, and if the effect of that cancellation of clause 7 is to retain the duty according to the Finance Act of 1922, well it remains there; and if the effect is to eliminate that clause altogether, then the whole of the excise duty will go away. According to my interpretation, the clause relating to excise duty on kerosene in the Finance Act of 1922 was to be in force up to the end of March of the year 1930 under the Finance Act of 1929. So the net effect will be that there will be no excise duty at all. That is what I usderstand to be the meaning of my amendment. At least that is my purpose.

Mr. W. S. Lamb: Sir, I rise to support this amendment. I understand it is not actually an amendment; it is a straight negative. The reason why I desire to support a direct negative to Government's proposition is that six pies are sought to be added to the excise duty. Sir,

Mr. Aney has made particular reference to the report of the Tariff Board and to an allegation that the country is suffering a loss of five crores yearly from the machinations of two companies. In his argument, Sir, he made a reference to the Burmah Oil Company. Mr. Birla, who has a particular interest in this matter as an importer of American oil, also had something to say of the Burmah Oil Company. Actually I would suggest to the Honourable Members and to the Finance Member, that the reason why these proposals are brought forward before the House, is that they are an attack upon the Burmah Oil Company, and in making that attack, they appear to be indifferent as to how much encouragement we give to foreign oil and to what extent the small companies may suffer. The position is, I may tell Mr. Aney, that if the Government's proposals are accepted, perhaps, if not tomorrow, within the next week, most certainly that extra duty will be taken fully from the consumer. There is no doubt about that, and Honourable Members should understand and appreciate that this 50 lakhs, or a great part of it, is coming out of the consumer.

I should like to make a few remarks about the Burmah Oil Company, since I am quite sure my friend Mr. Birla is very anxious to have a further hit at that Company. I have not got the Tariff Board's Report; I have to speak without the book, but I think I am right in saying that the majority report was that, "We are not satisfied that India was benefiting greatly by the guarantee of the Burmah Oil Company that the price would not be above a certain figure". They said they were not satisfied. That is very different from declaring, as has been declared, that it is costing the country crores and crores of rupees. Now, Sir, I have been in the oil business for some 30 years, and I had an intimate connection with the Burmah Oil Company for many years, and I have a very distinct recollection of the agreement which they came to in the year 1905, that is 25 years ago. They gave an undertaking that they would maintain and would not exceed a certain maximum. That was 25 years ago, and it can be declared that they kept their guarantee, and I declare now that they keep that agreement, and I should like to point out to Honourable Members that, during the war, many fortunes were made by profiteering; costs went up; other people were seen to be making profits; but the Burmah Oil Company, during the whole of the war, maintained that guarantee which they gave Government. Other people of course profited; but the Burmah Oil Company did not profit by the war, and notwithstanding the terms of the Tariff Board's Report, I would like this House to understand that this guarantee of the Burmah Oil Company is a very real and a very profitable thing for the poor consumer. I would like them to understand also that if the Burmah Oil Company is going to be attacked in this manner, it cannot be expected to maintain such a position as it has been maintaining for the last 25 years.

Now, I would like to put it to the House that these proposals, although I think they are designed to hit the Burmah Oil Company, actually they hit only the consumers and the small companies, for there is not the slightest doubt that the Burmah Oil Company will take the full amount that they pay, out of the consumer. But that increase will not make good to the small companies all the excise. Therefore, I make a special appeal to the House to support this amendment. In the first place the extra duty is going to hit the consumer, and in the next place it is going to hit the small companies. If I had time at my disposal, I should like to take the House through the history of some

[Mr. W. S. Lamb.]

of these small companies. I made some remarks when I was speaking on the general discussion of the Budget. It is impossible, on the floor of this House, to come to a conclusion in matters of this kind, but I do declare that these small companies are of the utmost value to India, and to take Rs. 10 lakhs out of them is a real injustice. We take 50 lakhs out of the oil companies, and then give Rs. 15 lakhs to the foreigners. I have a vision of the Honourable the Finance Member or his friend the Honourable the Commerce Member proceeding to the Government of India to welcome foreign importers with a gift of these 15 lakhs, that they may well support the burdens and heat of the day.

Now, Sir, these proposals have a very special significance today. Honourable Members will have seen in the papers a reference to a threatened war of rates between the Shell and the Standard Oil Companies. These matters are beyond our control, but there seems little doubt, at least there is a very serious possibility, that, in a very short time, we shall have a war of rates such as we had in 1928, possibly worse. We will then have this situation. You will have the foreign companies encouraged by this reduction of import duty—I am told that the Standard Oil Company are rubbing their hands in glee, because of the Government proposals,—and on the other hand you have the small companies with an additional burden of four annas per unit.

Sir, I would repeat what I said in the general discussion on the Budget. This is a serious matter for the small companies, for the consumers and for India. I may tell the Honourable the Finance Member that I am authorised, speaking for the group to which I belong, to say that the attitude of the Government gives the group much concern, and if this is an example of the manner in which European companies are to be attacked, because this can only be regarded as a direct attack, then it must affect the group's consideration of certain other proposals which may be put before them.

Mr. Ghanshyam Das Birla (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Sir, I want to. . . . .

Mr. President: How long is the Honourable Member likely to take?

Mr. Ghanshyam Das Birla: Only five minutes, Sir.

Sir, my friend Mr. Lamb rightly remarked that I had some personal interest in the import of oil. It is quite correct that I have a small interest in the import of kerosene oil, but in this House, Sir, I represent only one interest, that is the national interest. I am not here to represent my personal interest or any other interest. Sir, it is a mere coincidence that I happen to have a special interest in all the five things which it is proposed to tax in the present Finance Bill. Sir, I am a small importer of sugar, and as such I do not like the import duty; and yet, in the national interest, I have supported it. Then, Sir, I carry large stocks of silver, and therefore the silver duty has benefited me considerably, and yet I have opposed the silver duty. Then again, Sir, the income-tax touches my pocket directly, but I have not said a word against it. And, Sir, the proposal for Imperial Preference is calculated to benefit my own mills—situated as they are in up-country—more than the Bombay mills, and yet, in the national interest, I have opposed it.

Therefore, Sir, if I have supported the present proposal, I have done so because I felt that the national interest demanded that the excise duty and the import duty must be equalised.

Now, my friend Mr. Aney must have felt very uncomfortable when he found Mr. Lamb getting up to support his amendment.

5 P.M. There could be no greater condemnation of his amendment than the fact that Mr. Lamb should support it. I hope, Sir, that Mr. Aney now realises his blunder, and that he will either withdraw his amendment or probably he will be the first person to vote against it, although he is its Mover.

Now, Sir, it is exactly the ground taken up by Mr. Aney, *viz.*, the consumer's interest on which the Indian Chamber of Commerce, Calcutta, suggested that the excise and the import duties should be equalised. They said that you have put an undue handicap on the imports of kerosene oil and thereby you are preventing full competition and putting huge sums into the pockets of the Burmah Oil producers. This point was confirmed by the Tariff Board, and as my friend Mr. Aney said just now, according to that Board, the measure of the exploitation of the Indian consumer by the oil producer was about 5 crores per annum.

Now, Sir, what the Government through the present Finance Bill propose to do is this. They want to reduce the import duty by three pies which, though giving relief to the consumer, to my mind, is not sufficient. At the same time they want to put up the excise duty, because the Burmese producers so far were getting about one and a half anna per gallon protection, which they never required, and it is with a view to divert the money which has been going to the Burmese producer into the coffers of the Government, that this new departure is being made, and therefore, Sir, I think we should all welcome it. My complaint is that as the oil producers do not require any protection, there is no necessity at all for the protection of 9 pies which is being given to the producer under the proposed arrangement, but I hope that in the next Budget, the Finance Member will see his way to do away with this iniquity. All the same, I think it is our duty, in the interest of the consumer, that we should support the present proposal, and therefore I oppose the amendment of my friend Mr. Aney.

Mr. M. S. Aney: Will you please allow me to withdraw my amendment?

Mr. President: The question is that leave be given to Mr. Aney to withdraw his amendment.

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

Sardar Gulab Singh (West Punjab: Sikh): I rise to move that:

"In clause 7, for the words 'one anna and six pies' the words 'one anna and three pies' be substituted."

It is apparent from the "Annual Statement of the Sea Borne Trade of British India with the British Empire and foreign countries" for the fiscal year ending 31st March, 1929, Vol. II, India has been importing kerosene in bulk and in tins from British and non-British Territories for the last 10 years. From British possessions we have been importing kerosene in tins only from Aden and its dependencies, and in tins and bulk from British

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Borneo, Strait Settlements including Luban and the United Kingdom itself; and from the non-British countries we have been getting this kerosene in bulk only from Russia, Georgia, Egypt and the Celebes Islands, and in bulk and tins both from Persia, Sumatra, Dutch Borneo and the United States of America.

The increase in excise duty and the decrease in import duty will surely encourage the imports and discourage the indigenous production, and industry which would in turn stimulate the already ever-increasing unemployment, embitterment and dissatisfaction in the country.

According to the Statistical Abstract for British India for 1917-18 to 1926-27, the supply of kerosene available for consumption in British India has been raised from 13,87,91,878 gallons to 20,58,69,950 gallons in these ten years, and in all this period the productive output from the Punjab and Assam, including the coasting net imports from Burma, have hardly risen from 10,77,97,444 gallons to 13,90,93,598, whereas the imports have gone up from 3,06,77,906 gallons to 6,34,74,556 in the same period, *i.e.*, 1917-18 and 1926-27. In other words, India imported Rs. 4,72,50,710 worth of kerosene in 1924-25 and Rs. 5,75,60,432 in 1928-29, which means a net increase of Rs. 1,03,09,722 in five years only. My Honourable friends here would be surprised to hear that the percentage of Indian oil consumed has fallen from 90·3 in 1918-19 to 64 in 1925-26, whereas, on the other hand, the percentage of foreign oil consumed in India has climbed up from 9·7 in 1918-19 to 36 in 1925-26.

This is the relative or the comparative rate at which the country kerosene and the foreign kerosene have been marching in the very near past. And exactly corresponding should be the rate at which the excise and import duties ought to be varied so that we should be able to consume more of our home produce than the imported one and thus help the growing home industry.

It may have been the fact that the kerosene imports in bulk and tins from the British possessions have decreased from 23,26,007 gallons in 1924-25 to 8,52,238 in 1928-29, and thereby could hardly earn Rs. 6,28,198 in 1928-29, as compared to Rs. 11,99,460 earned in 1924-25. But on the other hand the foreign countries are capturing the Indian market of kerosene, and their exports to India have considerably increased from 6,96,53,913 gallons in 1924-25, to 10,38,07,567 in 1928-29, which could fetch them Rs. 5,69,32,234 in 1928-29 in face of Rs. 4,65,51,250 in 1924-25.

But if the imports from foreign countries have covered a net increase of Rs. 1,03,80,984 and those from British Possessions have decreased by Rs. 5,71,262 in the last five years, it must be due to the quality and quotations of the commodity alone. Let India also attempt to produce a better quality of kerosene at cheaper rates, and then compete with the foreign products, instead of clamouring for a decrease of import duty in India. A loss of Rs. 5,71,262 to the trade of British Possessions for kerosene in India never warrants by itself any decrease in the import customs in this country at all.

It was nothing but natural that, if the import duty had got to be diminished, there ought to have been effected a rise in the excise for home commodities which would have served two purposes with a single stroke: firstly of keeping the balance for the revenue yield, and secondly of

diminishing the price of the imported oil and increasing that of the country oil—and thus stimulating the foreign oil to sell better than the indigenous one.

The percentage of consumption of Indian oil has already gone down from 90·3 to 64 in seven years and that of foreign oil has enormously increased from 9·7 to 36 in the same period, as I have already mentioned.

Pandit Nilakantha Das: Will my Honourable friend tell the House what he means by "Indian oil"?

Sardar Gulab Singh: I refer to Attock oil and Burma oil. We can never support any increment in the excise duty. If the import duty has got to be decreased by three pies, the excise duty should not be raised by double that sum. It should not go anything beyond one anna and three pies at all, so that both should balance each other. And if the question of raising the revenue to meet the deficit in the present Budget comes in, and this diminishing of three pies in the proposed excise duty seems to cost the Government Rs. 35 lakhs, let Government maintain the two annas and six pies import duty instead of decreasing it to two annas and three pies.

The marginal duty may vary in that way, but it will still be less than the one existing at present, and both the objects of the Government will be achieved in this way, *i.e.*, of reducing the marginal duty and raising the revenue.

With these words, Sir, I close my remarks.

Sir Darcy Lindsay (Bengal: European): Sir, I desire to support the amendment moved by my Honourable friend Sardar Gulab Singh because I consider it to be an amendment that will best meet the case, because it will give Government a good deal of the revenue that they say they require and at the same time do as little as possible to disturb the price of oil to the consumer. In supporting this amendment to reduce the proposed excise increase from 6 pies to 3 pies, I assume that, if it were acceptable to the Government and the House, then the proposed reduction in the import duty of 3 pies would fall to the ground. That, Sir, would then leave my Honourable friend the Finance Member in possession of 25 lakhs, and with the various windfalls that are coming his way in the shape of excise on silver, and the heavy increase in sugar duties, I think he can well afford the prospective loss of ten lakhs. The argument that I use, Sir, in favour of this amendment is that, in the [illegible] it is more likely to keep down the price of oil to the consumer than the proposal put forward by the Finance Member to increase the excise by 6 pies. I know that either he or the Commerce Member will [illegible] that, by the prevailing reduction of 3 pies in the import duty, it will help to equalise matters and keep down the price. But I am not at all sure that his premises are safe. When we are dealing with oil, it is a very difficult proposition. It is a world industry, and the price of the commodity is controlled by a very few. If they wish to raise the price, they can do so.

Now, Sir, in India you have heard it said that from 1905, the Burmah Oil Company, by the convention that they entered into with the Government .....

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The Honourable Sir George Rainy (Member for Commerce and Railways): May I say, Sir, that there is no convention between the Government of India and the Burmah Oil Company?

Sir Darcy Lindsay: Possibly Sir. We will not call it a convention, but we will call it an understanding.

The Honourable Sir George Rainy: No, Sir. I object to the word understanding.

Sir Darcy Lindsay: Very well, Sir. But the fact remains that, from 1905, the Burmah Oil Company have given India the bed-rock price for a certain quality of oil, which, I think, is known as the Victoria brand. It is a yellow oil and is not refined to the extent of other burning oils. I have always understood rightly or wrongly, and I have had it on the very best authority from a former Commerce Member, Sir Charles Innes, that the action of the Burmah Oil Company in stabilising the price for yellow oil, has had the effect of keeping down the price of the higher quality oil. And I believe, Sir, that, for the past 25 years, there has been a considerable difference in price between these two oils. When the Government of India thought it necessary to impose an excise duty on oil, the price of the yellow oil went up against the consumer, as did the price of the other oil. But it was perfectly open to the Burmah Oil Company then, as it is today, who, I believe, with the other indigenous companies supply at a specially low rate to themselves, something like 195,000 tons of this low quality oil to the very poor people of India, to stop that supply. I know my Honourable friend, the Commerce Member, is not in agreement with me there, but I say, Sir, it is a fact that, if these refining companies decide to stop the supply of this yellow oil and refine it into white oil and petrol, they can do so, and in all probability gain a higher price than they are at present obtaining. That, Sir, to my mind is the danger of this measure. Why the Government of India think it necessary to recover this amount of money from this particular company that is undoubtedly prospering, and why they think it necessary to drag in their wake these smaller companies that are struggling for existence, is not for me to say. But I do feel that, if they continue and press the increase in the excise duty through this House, there is a very grave danger to the poorest people in India to have prices raised against them. It is mainly on this ground, Sir, that I appeal to the Honourable the Finance Member to forego 10 lakhs of rupees and accept the amendment of my Honourable friend. As I said before, the price at which oil can be fixed is in the hands of a very few. We have heard this afternoon of a probability of a rate war and for the next few months, till the rate war comes to an end, I have no doubt that the price of oil will fall considerably below the present prices and for a short period there will be an advantage to the consumer. But the unhappiness of the position is that these big combines come together again and up go the prices.

Now, Sir, if in India we had other prosperous companies in addition to the Burmah Oil Company, I think we would be in a better position to dictate our own terms. But unhappily these other companies have, so to speak, not struck oil. They are exploring all the time. I give you the instance of the Attock Oil Company in the Punjab. They have expended large sums of money in the endeavour to produce oil in paying quantity in the Punjab. They are still living in hope that the happy day will come

along when they will strike oil rich. Last year, or a little more than a year ago, I think, they were hopeful of success, and then the wells began to dry up again and that Company, if this extra taxation goes through, will be placed in a parlous position and be unable to spend the money that they want to do on new development. The same applies to other companies, companies in Burma and companies in Assam. The company in Assam, I believe, within the past few years, has expended a million and a half of money in drilling wells, and they have increased their output by something like six times the quantity that was formerly extracted. Now, Sir, the value to India of these indigenous companies to my mind is very great. Take the Attock Oil Company alone. They are placed in the position of supplying oil to India, independent of Burma and independent of the rest of the world. Look what an asset it is to the country. I give one little instance, Sir. A few years ago, two or three years ago, during a railway strike, it was difficult for the railway companies to bring axle oil up into the the interior from the seaport owing to the strike. The Attock Oil Company, being a company in the interior of India, was able to distribute axle oil and saved the railway companies from very considerable loss. That is just one little instance of the value to the country of maintaining these indigenous small companies. I appeal, Sir, most strongly to my Honourable friend, the Finance Member, and my Honourable friend the Commerce Member to give this matter very serious consideration, and if they can possibly do so, to meet us in this very modest demand of giving them Rs. 25 lakhs from the excise duty and not reducing the import duty.

(Several Honourable Members then stood up to take part in the debate.)

Mr. President: There are several Members wishing to speak. We had better adjourn. The House stands adjourned till tomorrow.

The Assembly then adjourned till Eleven of the Clock on Friday, the 21st March, 1930.

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