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OF THE

FOURTH LEGISLATIVE ASSEMBLY,
1931



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Legislative Assembly.

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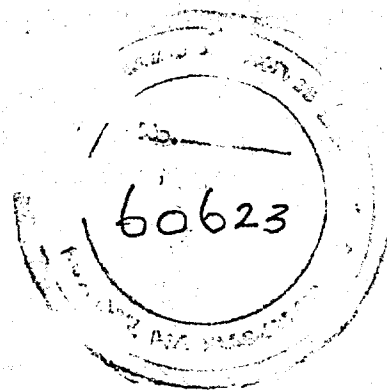
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LEGISLATIVE ASSEMBLY.

Thursday, 12th March, 1931.

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

STATEMENT OF BUSINESS.

The Honourable Sir George Rainy (Leader of the House): Sir, with your permission, I desire to make a statement as to the probable course of business during the week beginning Monday, the 16th of March. It is expected the House will sit for the transaction of Government business on the 16th, 17th, 18th, 19th and 20th. Whether the House will sit on the 21st will depend on the progress made with the Finance Bill. On Monday, the 16th March, the first business will be a motion for the election of Members to the Standing Committee on Roads for the year 1931-32. This will be followed by elections of Members to the Public Accounts Committee and to the Governing Body of the Imperial Council of Agricultural Research. Motions will then be made for leave to introduce certain Bills including:

- (1) a Bill further to amend the Indian Income-tax Act, 1922, for certain purposes,
- (2) a Bill further to amend the Indian Factories Act, 1911, for a certain purpose.

Thereafter, the House will proceed to the motion for the consideration of the Finance Bill. On Tuesday, the 17th, the first items of business will be a motion for the election of Members to the Standing Committee for the Department of Commerce and the election of Members to the Indian Research Fund Association. Thereafter, the House will resume the consideration of the Finance Bill. On the completion of the Finance Bill, motions will be made to take into consideration and pass the Indian Factories (Amendment) Bill and to refer to Select Committee the Indian Income-tax (Second Amendment) Bill. These may be taken on any day in the latter part of the week. On Friday, the 20th March, an election will be held for the Standing Committee on Roads, and on Saturday, the 21st, if the House sits on that day, a motion will be made for the election of Members to the Standing Finance Committee for the year 1931-32. On the same day the election to the Standing Committee for the Department of Commerce will be held.

THE GENERAL BUDGET—LIST OF DEMANDS—*contd.*

DEMAND NO. 78—NORTH-WEST FRONTIER PROVINCE—*contd.*

Mr. President: Gentlemen, with your consent I will now put the Demand on the North-West Frontier Province. The question is:

"That a sum not exceeding Rs. 1,11,39,000 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, 1932, in respect of 'North-West Frontier Province'."

The motion was adopted.

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, with your permission I beg to suggest for the consideration of the House whether, in view of the large number of Demands which are outstanding, it would not be more convenient that the speeches on the cuts should be confined to ten minutes and not more. I hope that the Government Members also will observe this rule. No doubt occasions may arise when there may be more than one speech on a cut to which the Government Member may have to reply a little longer: you might allow that; but on the whole I think it will be for the convenience of the non-official Members and I put it to the non-official Members more than the Official Members, that they may agree to this course. Possibly five minutes will be quite ample for speakers other than the Movers and the Government Member; and this would enable us to go through as many Demands as possible, because we have got only two days more and there are so many Demands to go through. I put it for the consideration of the House that they should agree to this course.

Mr. President: Ten minutes uniformly?

Diwan Bahadur T. Rangachariar: Ten minutes uniformly for the Movers and five minutes for the other speakers.

Mr. President: I am entirely in the hands of the House. As I said before, Honourable Members can unanimously lay down such procedure as is suitable to them. It has been suggested by the Leader of the Opposition that Honourable Members should indulge in a self-denying ordinance and restrict their speeches to ten minutes so far as the Movers of cuts are concerned and to five minutes by everybody else. Is it your pleasure to lay down this rule?

Several Honourable Members: Yes.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): I think that five minutes for other speakers will be too little. In fact some Members will take five minutes in making the preamble of their speech. (Laughter.) Therefore I would submit that it would be more reasonable if we have ten minutes all round, and in special cases power should be left in the Chair to give a few more minutes and also if some important speaker is making an important speech.

Mr. President: I should like to say in regard to the last part of the Honourable Member's speech that the Chair does not desire to have any discretion of that kind which would lead to discrimination. The Chair would like the House to lay down a definite limit beyond which no Member should be allowed to go. The effect of providing discretion will be that each Honourable Member who is on his legs may expect the Chair to extend that indulgence to him. The Chair does not wish to be placed in that position. Let the House decide definitely the time limit which every speaker must conform to. The effect will be that every Honourable Member who catches the eye of the Chair will know that he will be forced to conclude within the time that the House fixes. (Cheers.)

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): I wish that the Honourable the Leader of the Nationalist Party had taken some of us into his confidence before he sprung his suggestion on the House as a whole. I am not anxious that the debate should

be continued for a long time on any of the cuts; but I find as a matter of fact that most of the cuts going to be debated are upon questions of policy rather than actual definite retrenchments to be carried out. If that is so, it is very necessary to elaborate that policy. I can understand if we had to come to a conclusion on a substantial cut it may not be necessary to speak so much on questions of policy, but only on the reasons why a substantial cut should be made; but that is not the case so far as I know either with the Nationalist Party or the party which I have the honour to represent. In any case I am not anxious that we should delay these proceedings or not reach some of the cuts. The least that I can suggest is a ten minutes limit all round, so that some little time may be taken up in elaborating the points. I can understand the Government agreeing to this idea of five minutes' speeches on cuts: because their task is much easier than the task of those who have to develop a case against them. I suggest in the circumstances in which we find ourselves today that a ten minutes all round may be the more desirable course.

Diwan Bahadur T. Rangachariar: I agree to that.

Mr. President: This is what I was inclined to suggest also, that a uniform time limit of ten minutes should be laid down with the unanimous consent of the House.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): That may be the procedure only for today because we might revise our views tomorrow. (Laughter.) We will see what progress we make. If we find that we have not been able to get through many grants today the House may agree to reconsider its decision and make a rule of its own tomorrow.

The Honourable Sir George Schuster (Finance Member): If I may express a view from the Government side, it would be this. I entirely agree with the sentiment which animated the suggestion from the Honourable the Leader of the Opposition, which I take to be this: that we should be business-like in our discussion and endeavour to give the House the fullest opportunity for discussing important questions and covering as many of these important questions as possible. I would make this suggestion, that instead of an arbitrary limit on the length of speeches, it may be advisable if Honourable Members opposite could in a sense continue the sort of convention which has already prevailed for the first three days, that is to say, that there could be some attempt at selection of the points which are going to be taken, I venture to think that that would really achieve the purpose which is in my Honourable friend's mind better than an arbitrary limit on the length of speeches. There are a great many cuts on which I venture to say a 10 minutes' speech might be excessive. There are others on which it really would be in the interests of the House to allow the case to be developed fully. And speaking from my own side although one Honourable Member suggested that the position of the Government in these matters is easier than the position of Honourable Members opposite, I should like to point out to him that our position is not a particularly easy one. There are something like 240 motions down. If we do not know in the least which of those 240 is coming up and if I have to get up in reply after listening to say three 10 minutes' speeches, on one particular motion not having known beforehand that it was going to

[Sir George Schuster.]

come on, I am sure Honourable Members will appreciate that our position is not an entirely easy one. It is always my desire to give the House the fullest information possible and to give the points raised the fullest consideration and for the purpose, it would be a great help if one had some idea which subjects are going to be discussed. Possibly Honourable Members opposite might be able to help us in that direction, and I think in doing so they will also be helping the House.

Diwan Bahadur T. Rangachariar: Sir, I join the Honourable the Finance Member in appealing to various Honourable Members, who have given notice of cuts, to tell him which they are going to press. I am sure many of them will not be pressed, but it is very difficult to come to an understanding on that point, because many Honourable Members want to have an opportunity of saying what they have to say, especially in regard to their provinces. So it is very difficult for me, as representing my party, to give an indication, but I will request Honourable Members to intimate beforehand what they are not going to press. Sir, I think a uniform limit of 10 minutes would be ample.

Mr. President: There is only one thing I should like to add before I decide to accept the suggestion of imposing a 10 minutes' limit. The number of cuts of which notice has been given under each Demand is so large that if we follow the practice which we adopted in considering the Railway Budget, then one Demand may cover the whole of the remaining two days. If that is the desire of Honourable Members, I have no objection. But if the same procedure was adopted which we followed in regard to the four Demands already disposed of, namely, the party leaders putting their heads together and deciding upon one particular cut which would enable the House to discuss that Demand in full from all its aspects, then that one cut under that one Demand should be debated, under a 10 minutes' limit. That will alone enable the House to deal with a large number of Demands than will otherwise be possible. I am merely throwing out that suggestion for consideration of the House. The Honourable the leaders of parties may consult together and let me know whether the procedure which I am suggesting is acceptable to them. I take it, gentlemen, that it is your unanimous desire that I should enforce a 10 minutes' limit. (*Several Honourable Members from all sides of the House:* "Yes, yes.") Ten minutes' limit will be enforced.

Sir Hari Singh Gour: For today, Sir. I feel, Sir, that the House will perhaps reconsider this decision tomorrow.

Mr. President: I am sorry the Honourable Member should remain under that misapprehension. The Chair has repeatedly said that it will conform to such procedure from time to time as appeals unanimously to the House. (Applause.)

DEMAND No. 16—CUSTOMS.

The Honourable Sir George Schuster: Sir, I beg to move:

"That a sum not exceeding Rs. 75,53,000 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, 1932, in respect of 'Customs'."

Mr. President: The first motion for cut on the Order Paper is from Mr. Gunjal.* I see he is not here. Then the second cut stands in the name of Mr. Amar Nath Dutt.

Reduction of Salaries on account of Lower Level of Prices and to cope with Deficit Budget.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, I beg to move:

"That the Demand under the head 'Customs' be reduced by 25 per cent."

Under this Demand, Sir, we have Rs. 75,53,000 as voted and Rs. 20,91,000 as non-voted. We have nothing to do with the non-voted amount, and it is only the sum of Rs. 75,53,000 with which we are concerned at present. Of these Rs. 75,53,000, we find that the pay of officers amounts to Rs. 4,34,200, while the pay of establishment is Rs. 47,75,000. That being so, it comes to a little over 52 lakhs, and my proposal is that all these salaries should be reduced by 25 per cent. which will give the Honourable the Finance Member about 13 lakhs to make up his deficit. The reason for asking for this cut is this. Throughout the world prices have gone down very considerably, and there is a very low level of prices prevailing at present. In fact, the price of agricultural produce has gone down far less than what it was before 1914, I mean it has gone lower than the level of the pre-war period. Most of the salaries were increased at times to double and at times treble, just after the war, to meet the high prices then prevailing, in comparison with the pre-war rate. Now that the prices have come down to the pre-war level we can very well demand at least a cut of 25 per cent. in the salaries of officers and establishments. Now, Sir, if a man who gets Rs. 1,000 is paid only say Rs. 750, I do not think he will grudge it, nor would he be justified in grudging it, considering the fact that the prices have come down all round and considering also that his expenses have consequently come down owing to the reduction in the prices of foodstuffs and other necessities of life. Sir, the Honourable the Finance Member has dealt at some length with the reduction of the salaries of officers and establishments in his Budget speech. I yield to none in my appreciation of the Finance Member's anxiety to make up the deficit with as little irritation to the taxpayer as possible. In fact, I find that, in preparing his Budget, he has been throughout actuated by a keen sense of duty, and may I say that he was a little obsessed with the idea that he was not to hand over his Department to his successor in an insolvent condition. That is no doubt a very laudable desire on his part, and we appreciate it, but at the same time the way in which he has met the argument about the reduction of salaries does not appeal to us. His reasoning has been like this: "It is an extremely difficult subject and one on which clear thinking is essential". I think we are capable of clear thinking, and we admit that it is a difficult subject, but not an extremely difficult subject, as the Honourable Member seems to think. Then, he points out that, by reducing the salaries by ten per cent., the Central Government won't get more than Rs. 38 lakhs. Now, Sir, I beg to submit that if you would increase the reduction from 10 to 25 per cent., the amount will not be a negligible amount. The Honourable Member further says in his speech that drastic reductions down to the lowest ranks will be necessary. I do not see any harm in that because the salaries of Govern-

*"That the Demand under the head 'Customs' be reduced by Rs. 75,00,000. (Retrenchment in Pay of Officers.)"

1910

LEGISLATIVE ASSEMBLY.

[12TH MAR. 1931.]

[Mr. Amar Nath Dutt.]

ment servants have been increased throughout. People in some services, who used to get Rs. 400 a month are now getting Rs. 750. So, I do not think that a reduction of 25 per cent. in the salaries of the officers and of the establishments will affect them, considering the lower level of prices that is now prevailing in this country. Instead of doing this, the Honourable the Finance Member has given us an alternative suggestion. He says that by increasing the income-tax we could meet the deficit. That burden will fall not only on the service men but also on all people. Here, I beg to point out to him one fallacy which he has not noticed, and that is this. The income of professional men has not increased to the extent that the salaries of the officers have increased. People earning Rs. 1,000, or 1,200, or 1,500 a month at the Bar—their income has not gone up to Rs. 3,000 to 4,000 a month. But it is a fact that members of the judicial and executive services who were drawing Rs. 400 in those days, are drawing now Rs. 750 a month, and those who were drawing only Rs. 1,000 are now drawing Rs. 1,800 or 2,000 a month. So, to put all these classes together, namely, the professional classes whose income has not increased, and the salaried officials of Government, whose income has increased considerably, and thereby say that there should not be any reduction of the salaries of the officials, is a fallacious argument, which does not appeal to us. Then, again, what would a man drawing Rs. 800 a month pay as income-tax? He would pay somewhere between Rs. 40 and Rs. 50 a month, but if you reduce his pay by one-fourth the State will receive Rs. 200 a month. So, the reduction of the salaries is the one thing necessary to make up the deficit, and in this I am sure the Honourable the Finance Member will not be hampered in any way . . .

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

Mr. Amar Nath Dutt: I can assure him that he will have our heartiest co-operation in matters like his.

The Honourable Sir George Schuster: The self-denying ordinance seems to be very effective, and I am sure that Honourable Members will agree with me that the ten minutes' rule was not exactly suited to the style of oratory to which the Honourable Member who has spoken is accustomed.

My Honourable friend has raised the very big question as to whether the circumstances are such that the Government ought to impose on Government servants right down to the very lowest ranks a cut of 25 per cent. My Honourable friend has disputed the statement that I made, that that was a very difficult question which raised very difficult issues. I venture to suggest to him that the mere form of the motion which he himself has had to move today should bring home to him some of the major difficulties in the situation. For what would be the effect if the House were to accept this motion? In the first place, it would be accepting a principle of differentiation between those officers whose salaries are non-voted and the officers whose salaries are voted. In the second place, it would be committing this House to accepting a principle of differentiation between the officials of the Central Government and those of the Provincial Governments. Now, Sir, I do not expect the Honourable Members to be very greatly impressed by the first point. They will say that it is one of the injustices of the present constitution that a large portion of the salaries is non-voted. That might be a good reply, but I would remind my Honourable friend that, underneath the

situation, there are certain constitutional facts which we cannot get over and that there are certain officers whose position is constitutionally protected. That is a fact which we cannot escape; it is one of the facts which creates a difficulty in the situation. The second point, however, which I made is one of much greater substance, and it strengthens the argument which I myself used in my Budget speech, that this is a matter on which the Central Government cannot act alone. We have suggested a means for securing the early consideration of the whole question jointly with the Provinces, and that, I think, is as far as we could at the present moment go.

My Honourable friend's argument as to the hard case of professional men was one, I think, which did not weigh very heavily with this House. If certain professional men have not been sufficiently successful in their professions to be able to increase their income adequately in correspondence with the increase in the cost of living, that is one of the chances of life and no Government can do anything to interfere with that result. But I venture to suggest that, as a general rule, taking for instance the earnings of barristers, and people of that kind, these have very substantially increased since the War. I do not know what has happened in the last few months, or whether there has been any general falling off in the scales of fees; but, at any rate, up till recently, I feel convinced that that was the fact.

Mr. B. R. Puri (West Punjab: Non-Muhammadan): There is a distinct falling off in fees.

The Honourable Sir George Schuster: I am glad to know that the commercial world has responded to the situation. (*An Honourable Member:* "But the Income-tax Officer won't believe us.") Now, I think that it is important that this House should realise what is the basis on which the greater part of the increases in pay recently has been granted. Generally, I think it would be admitted that such increases as have been given in the pay of establishments have been given largely as a result of pressure from public opinion, which has been supported in all quarters of this House. I need only refer to two cases which come at once to my mind,—one, the very large increase in the pay of all employees in the Posts and Telegraphs Department. Large increases have been given effect to in the last three or four years. I quoted the other day the figure of what was involved in these increases. I stated that at present it was calculated that they involved something like an extra charge of 1½ crores a year. Now, I am certain that those increases were never opposed by Honourable Members opposite. Indeed they pressed for them. I have another case which comes particularly to my mind because it is a very recent case, and that is the pressure which was brought to bear upon us to improve the pay of certain of the officials and the clerical staff of the Currency Department. That was brought up in the course of last year, and on the strength of very strong representations from influential Members of this House, I met a deputation of those Members and agreed to the appointment of an impartial business inquiry. As a result, certain increases of pay were granted. There are two good illustrations, and I do not think it is necessary for me to go in detail over the whole of the field. I am sure Honourable Members will appreciate that it is up to the Government to see that Government servants get reasonable pay, and that, if there has been any tendency to increase pay as a whole in the last few years, it has been a tendency which has been very largely stimulated and

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encouraged by the representatives of the public in this House. I do not criticise that tendency at all. I only ask Honourable Members to appreciate that if they wish certain things to happen, they must provide the means to pay for them. It is very easy to bring forward these suggestions and to earn cheers for a spirit of generosity, but, "then comes the reckoning, and we laugh no more". That is a quotation which has run through my mind very often in the last few days. Sir, I have, I think, already run the length of my time. I only wish to point out that to pass a motion of this kind involving a 25 per cent. cut in the salaries of all officials, from the highest to the lowest, is not a practicable proposition.

Mr. Amar Nath Dutt: I only wish to say a few words by way of reply. The Honourable the Finance Member has been pleased to observe that, owing to the demands of public opinion, they have increased the salaries of the establishments. Here is also the same public opinion now demanding a lowering of those salaries, which were found necessary in times of high prices. Then, Sir, the Honourable the Finance Member has suggested that there should be reasonable pay for Government officers. We say that after this 25 per cent. reduction, the pay will still be as reasonable as before, and no one can object to it. I quote his own words from the Budget speech, where he said that in a case of national emergency some sacrifice may be demanded from all concerned, and I appeal to him that this is a time of national emergency. Then, as regards the distinction between the salaries of those officers which are non-voted, and those which are voted, I beg to submit that the question does not arise at all. Because we cannot reduce certain salaries somewhere, that therefore we should stay our hands with respect to all salaries, is an argument which does not appeal to me.

Mr. President: The question is:

"That the Demand under the head 'Customs' be reduced by 25 per cent."

The motion was negatived.

Retrenchment and Uniformity of Basis for Expenditure.

Mr. S. C. Shahani (Sind: Non-Muhammadan Rural): Sir, I move:

"That the Demand under the head 'Customs' be reduced by Rs. 11,73,000."

The Honourable the Finance Member has given us a four fold advice for dealing with the Budget. He has told us to adhere to sound financial principles, to give unremitting care to details, to work hard and to seek co-ordinated co-operation. I would request him, in pursuance of the advice that he has given us, to himself consider the details of the estimates that are given in connection with this Demand. I would request him and Honourable Members of the House to look into the details, and to realise that out of the eight Circles of account, four may be properly deemed as being comparatively major. Out of these, so far as I can see, Bombay including Karachi may be looked upon as the basis of our estimates for the different Circles. Bombay including Karachi employs 28 officers and 1,566 members of establishment, and is estimated to cost on the whole Rs. 27,73,000. Calcutta and Chittagong employ 23 officers and 1,261 members of establishment, and are estimated to cost Rs. 29,10,000. The estimated cost of Calcutta and Chittagong ought not to exceed the cost of Bombay and Karachi. I therefore take it that Rs. 1,67,000 can be easily

reduced in the administration of this circle. Madras, according to me, and I think rightly, will be deemed a comparatively poor circle. It has 17 officers and 1,227 members of establishment, and yet it costs Rs. 26,31,000, which must be considered as an abnormally large expenditure. Here I find that there is room for economy to the extent of Rs. 7,59,000. Then we come to Burma. Here there are 9 officers and 517 members of establishment and yet the cost is Rs. 12,34,000. By calculation I see that Rs. 3,20,000 can be easily saved. Burma is only a little less than one-third of the Bombay and Karachi Circle.

My second reason for the economy that I suggest will need a reference to Mr. Jukes' Report. If you look into page 1 of that report, you will find that the estimates of expenses on the collection of Customs revenues in 1931-32 is the highest figure since 1924-25. Taking the average cost of collection for the years 1924-25 to 1929-30 for which actuals are available, the estimate for 1931-32 should not exceed 86 lakhs.

My third argument for the retrenchment proposed by me would be of a general character. In the customs revenue I do not find any protective duties on wheat and sugar. It is undoubtedly desirable that our industries should be duly protected. I shall ask Honourable Members to bear in mind that the foreign producers of these commodities, for instance, of Australia and Java receive subsidies from their own Governments; and the shipping companies here give them concessions to enable them to compete in Indian markets. I am quoting from memory

The Honourable Sir George Rainy (Member for Commerce and Railways): On a point of order. I raise it merely for the convenience of the House. It is this. I thought that the ruling or the understanding was that questions of policy should be raised on token cuts and not on a substantial cut such as this. If the two things are mixed up, there will be very great difficulty. Suppose it came to a division. We should be mixing up the question whether there is room for economy in the Customs staff with the question whether the Government policy is right as regards the imposition of duties. It would make a very confused division.

Mr. President: In the case of the Budget, it is very difficult to draw the line very definitely. But I hope the Honourable Member, without asking the Chair to decide on the point of order, will try to restrict his observations to the retrenchment which he advocates in his motion.

Mr. S. C. Shahani: Very well, Sir. If the general consideration suggested by me in connection with my cut cannot be appropriately undertaken now, I give up the general consideration. The arguments that I have addressed to the House should, I think, suffice for my motion being generally supported.

Mr. President: The question is:

"That the Demand under the head 'Customs' be reduced by Rs. 11,73,000."

The Honourable Sir George Schuster: Sir, I find it difficult to reply exactly to the line of argument used by my Honourable friend. He has taken the trouble to go very carefully into the figures, and for that I must be grateful to him. But the two principles on which he argues, I suggest, are not very valuable principles in guiding this House as to what should be the proper expenditure. As to his first principle, as far as I could make

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out, he adopted Bombay, including Karachi, as representing an ideal datum line from which he could reckon and then, working on lines which I was not exactly able to follow, he has proceeded to prove that in the other three Circles the cost is very much too high. I venture to suggest that that line of argument is not really a valid one. One cannot make these comparisons without going very carefully into all the facts. I would be able, if time permitted, to take him through the figures and to explain to him, in a most convincing way, what is the reason for the kind of difference which he has pointed out. His second line of argument was that the percentage cost of collection is now too high, and he has taken again as a datum line some year—I believe during the last five years—when the percentage cost was lower. Now on that particular point, the argument which I wish to develop is that you cannot judge merely from the total Customs receipts as to what the amount of work involved is. In the first place of course, though there is now a temporary decrease in trade, it is impossible to reduce the staff precisely in proportion to that decrease. As a matter of fact, in the present circumstances, the authorities concerned have been instructed to effect every possible economy by not filling up any vacancies that may arise, pending the revival of normal trade conditions. We are doing all that can be done in that direction. But the real point is that there are other factors which determine the volume of work. There has of course in the last five years been a considerable increase in the Customs revenue, and the increased collection has not been markedly out of proportion to that increase. But apart from that, the number of dutiable bills of entry has increased very enormously in the last few years, and the volume of work has grown quite disproportionately to the amount of revenue collected. I should just like to give this House some figures. The number of dutiable bills of entry rose from 323,923 in 1923-24 to 759,483 in 1929-30, and the number of free bills of entry from 6,597 to 80,841 during the same interval. This very striking increase in the number of bills of entry is due of course partly to the increase in the volume of trade, but also to the fact that, apparently, the trade is gradually passing from the hands of wholesale importers to those of smaller importers, who deal directly with other countries. That, I am sure, illustrates a tendency which should be pleasing to Honourable Members, because I think it illustrates the growing up of a large number of smaller Indian firms. But it inevitably increases the amount of work, and I have no doubt, Sir, that if my Honourable friend could go through the actual figures which show what the work in the Customs Department is, he would be able to satisfy himself that efficiency has increased considerably during the last few years, and that the growth of expenditure has been kept down in every possible way. Therefore, Sir, I venture to put to the House that the reduction which he has proposed is one which could not as a practical matter be introduced, and the arguments on which he has relied are arguments which really do not hold good in the realm of fact.

Mr. S. C. Shahani: I must, Sir, thank the Honourable the Finance Member for looking into the figures which I have put before the House. He however thinks that the principles which I have advocated are not the right ones for estimating the cost of collection of the Customs revenues. I agree that my second principle of comparative average cost may not alone suffice to establish my position. No doubt the volume of work too must

be considered. I can easily imagine that the volume of work during the last few years may have increased; but it would interest me a great deal to know, after the Honourable the Finance Member has sat on the proposed Retrenchment Committee, that he or the Retrenchment Committee did not act up to the first principle urged by me. In order to curtail the expenses that are being incurred in connection with the collection of the Customs duties the principle of taking the number of officers and the number of members of establishment in each Circle and their cost must be enforced.

Mr. President: The question is:

“That the Demand under the head ‘Customs’ be reduced by Rs. 11,73,000.”

The motion was negatived.

Inadequate Representation of Muslims in the Customs Services.

Mr. Muhammad Anwar-ul-Azim (Chittagong Division: Muhammadan Rural): Sir, I beg to move:

“That the Demand under the head ‘Customs’ be reduced by Rs. 100.”

At the outset I want to say that this cut has been put for the purpose of reminding the Government of India, which is represented by the Finance Member in this House, to take steps to give effect to those promises which were so generously held out with regard to this particular subject last year. This matter has been agitated on the floor of this House from year to year and it has become more or less a sort of a hardy annual. I will only confine my remarks solely to the representation of the members of my community in the various services of the Customs Department in Bengal, as the time limit is very short. From a perusal of the figures which were given by the Honourable the Finance Member, Mr. President, in last year it will be seen that, in 1925, in the ranks of the Appraisers the representation of the Mussalmans was 1 per cent.; in 1930 it became 6 per cent. In the ranks of the Examining Officers it was 9 per cent. in 1925; it continued to be so up till 1930. In the ranks of the Preventive Senior Officers (whose number is 41) it was 1 per cent. in 1925; it became per cent. in 1930. In the lower grade it was 15 per cent. in 1925 and remained stationary up till 1930. In the ranks of the clerks, during the course of five years, it underwent a decrease of 1 per cent. I would also submit, Mr. President, for your consideration the latest figures which are up to the 31st December, 1930. In the statement showing the strength of the ministerial staff of the Calcutta Customs Department on the 31st December, 1930, the figures are as follows: There are 8 Superintendents, none of them is a Mussalman. There are 10 Deputy Superintendents, none of them is a Mussalman. The Treasurer is also a non-Muslim. Out of 41 Upper Division clerks, there are only 6 Mussalmans. There are 4 stenographers, out of whom only one is a Mussalman. Out of 7 typists, there is not a single Mussalman. Even in the ranks of the Lower Division clerks, whose number is 314, there are only 41 Mussalmans. Out of 9 clerks for the Chemical Examiner's Office, not one is a Mussalman. I will now show you, Mr. President, the state of affairs in the ranks of the highly paid cadre which is as below: Out of 46 Appraisers, there are 3 Mussalmans; out of 200 Preventive Officers, there are 28 Mussalmans; and out

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of 8 Chemical Assistants, there is not a single Mussalman. Amongst the ranks of the Appraisers there have been three vacancies in the past year and there is one vacant even today, but none of them has been given to a Mussalman. There were 25 vacancies in the ranks of the Preventive Officers, and I do not think they have been kind enough even there to the Mussalmans. In the ranks of the Marine, there are no vacancies. In the ranks of the ministerial staff there were 20 vacancies, and I do not know if there was any given to a Mussalman. It is very difficult, Mr. President, for a man of my temperament and political predilections to come out with these sad stories especially so far as the Customs Department is concerned, because if you were to take notice of the present composition of the people of Bengal, you will find that we represent a fairly decent majority in the Eastern districts and we are more or less equally balanced near about Calcutta and to its West. Last year the Honourable the Finance Member—I am not going to cross swords with him—was pleased to say that it was not the policy of the Government to allow a preponderance of any one class of people in any cadre or any branch. He was also pleased to assure us that one-third of the vacancies are kept reserved in order to do away with the so-called communal inequalities. From the figures that I have submitted for your consideration, Mr. President, the Honourable the Finance Member will find that there have been several vacancies in these ranks, for which there was no dearth of qualified Mussalman candidates. If the Honourable the Finance Member will kindly refer to a letter No. 117-A, sent to his Department by a recognised Association in Bengal and the reply that his Department sent, this state of affairs will become quite evident to him, because it seems that both his Department and his subordinate agents in Calcutta and elsewhere have taken notice of that representation. In spite of all this, I am really surprised to find that the figures which I have quoted have been allowed to continue and stay. Sir, it seems to me to be very perplexing and puzzling that, in spite of the assurances on the floor of the House by a very responsible representative of the Government here, things do not seem to change at all, and in certain directions surely they are going backwards. To a laymen like myself it would suggest two things. Firstly, either the Government are afraid of doing justice, or, secondly, the situation has been made so cumbrous and complicated that, notwithstanding their very best wishes and desires, they cannot give effect to them. May I not very pertinently ask such a responsible officer of Government, who is holding such a high position and controlling such a huge Department, if he feels that they are here to do justice to all, how is it that this sorry state of affairs has been allowed to drag on, which has blackened their own reputation?

12 Noon. I hope, I am not using strong language because it seems so hard that, in spite of so much talk of doing justice and of doing this thing and that thing, things have been allowed to drag on thus. Personally speaking, I do not know that this wait-and-see policy, if I may say so, is likely to pay in the long run, because the very evil seed of distrust which is likely to germinate in the minds of young Muslims attending the universities and the colleges is a very fatal and vital thing.

Mr. President: The Honourable Member's time is up. He cannot go on any longer. The Honourable Member may complete his sentence, but I cannot allow him more time than that.

Mr. Muhammad Anwar-ul-Azim: That is the difficulty we are labouring under. With these words, I commend my motion for the consideration of the House.

The Revd. J. C. Chatterjee (Nominated Non-Official): Sir, I feel that I have a great deal of sympathy with what my Honourable friend has said, but at the same time, I feel that in this country, there can be no real peace either in the Legislatures or in the public services till the labels which separate one community from another begin to be based on something other than religious differences. Till that state of affairs comes about in this country, I believe, Sir, we cannot be a united nation, whatever our constitution may be. I have, therefore, from my place whenever I have had the opportunity, urged that a fair field and no favours should be the criterion by which the services in this country should be recruited. I feel, Sir, that that is the first and the correct principle that should guide us in selecting public servants. But at the same time, there cannot be smoke unless there is some fire, and if so many grievances are put forward, it shows that some sections of the community are aggrieved. There is no time for me now to go into the reasons for those grievances, but I do say this, that if Government are accepting the policy of the representation of the various communities, of course, always remembering that efficiency does count in recruitment, if they are accepting this policy—and from what one has heard in the course of the Railway Budget debate and other debates, they are definitely accepting that policy,—I do not wish to quarrel with them. But I do maintain, Sir, that if such a policy is accepted, it should be extended to all communities irrespective of the fact that a certain minority community is strong and another minority is not so strong, or not so vociferous. The claims of the smaller and less powerful minorities should also be taken into account. I do hope that an assurance of this kind will be forthcoming, that it will not be only one minority, but that all minorities shall have their due share in the public services of their country.

Seth Haji Abdoola Haroon (Sind: Muhammadan Rural): Sir, I beg to support my Honourable friend, Mr. Anwar-ul-Azim. He had given some figures of all-India services, whereas I want to say something about Karachi. The province of Sind is mostly populated by Mussalmans, about 70 per cent. are Muslims. In reply to my question the other day, the Honourable the Finance Member said that the total number of Appraisers in the Customs Service at Karachi is 21, out of which only one is a Mussalman. The total number of Examiners is 14, and none of them are Muslims. Besides this, I asked another question that is, how many new men were appointed in this service within the last five years, and the Honourable the Finance Member replied that, within the last five years, four examiners were recruited from outside and two from the office, out of which no Mussalman was appointed. For this state of things, the Honourable the Finance Member gave some reason or other, whatever reply he got from the Karachi Customs House. I want to say, Sir, that within the last five years, the Customs authorities at Karachi are not giving proper attention to the instructions of the Government of India or the Honourable the Finance Member, who from time to time has been giving some sort of explanation to Members that he will do his level best to appoint more Muslims to these posts.

[Seth Haji Abdoola Haroon.]

Then, I will take the figures as regards some other appointments in the Customs service in Karachi. You will find that there are four Superintendents, out of which none is a Muslim. There are four Deputy Superintendents, out of which none is a Muslim. Out of a total of 136 clerks who are drawing Rs. 125 and over, one is a Muslim. Out of 135 clerks who are drawing from Rs. 45 to Rs. 125, only two are Muslims. If you look to these figures, what is the conclusion that you draw? The Honourable the Finance Member promises from time to time that more Muslims will be appointed, but the Karachi Customs authorities do not give any heed to the promises made by the Honourable the Finance Member and the result is that the Muslim percentage remains as it is. For this reason I am supporting the cut of my Honourable friend.

Mr. S. C. Shahani: Sir, I rise to request the Honourable the Finance Member not to give promises without duly considering their import. I do find from the figures that are quoted here that a sufficient number of Muhammadans are not included in the Customs services in Karachi. I would certainly wish that a larger number was included in these services, but I feel disposed, once again, to emphasise that the qualifying standard should in all cases be insisted upon.

Seth Haji Abdoola Haroon: Nobody objects to that.

Mr. S. C. Shahani: Experience shows that very incompetent people are appointed, simply because in the Central Legislature undue emphasis is being placed upon the representation of different communities in the different services. Sir, if every one here did consult his own conscience, he would be bound to admit that the different services in the country have been a great deal vitiated by the undue importance of representation of different communities in the different services. I say that to a reasonable extent representation of communities in services ought to be borne in mind by the authorities responsible for appointments, but no undue emphasis should be placed upon such a consideration. Ability and character should be primary considerations.

Mr. Uppi Saheb Bahadur (West Coast and Nilgiris: Muhammadan): Mr. President, I had not intended to speak in this debate, but the speech from the opposite side brought me on to my legs. Sir, I come from a Presidency where communalism among the Hindus is at its worst, that is from Madras. Sir, you know that in the Madras Presidency, the Brahmin-Non-Brahmin question was being raised for the last 13 or 14 years in the very worst manner. It was due to nothing but the fact that a certain community, that is, the Brahmin community, who were far more educated than any other community in the Presidency, got into the Government service and then they blocked the way to the non-Brahmins. To a certain extent it is true that the Brahmins shut out the other communities and got all the Government jobs to themselves. When I came to Northern India, so also I found that the communalism was not between Brahmin and Non-Brahmin but between Hindus and Muslims. The Muslims feel that the Hindus are actually standing in their way to services. And it is quite natural that when one community gets hold of certain employments or certain offices, they try to bring in as many of their own relations into

that service as possible; and so also when the circle widens, they try to bring in as many of their own community as they possibly can. What I urge upon my Hindu brethren is not to advise the Muslims not to ask for the loaves and fishes in Government service, but to be more liberal, more kind, more sympathetic to their Muslim brethren and to extend their helping hand to a community which has fallen behind on account of lack of modern education for some time, and not bring forward, as Mr. Shahani said just now, the question of efficiency. Efficiency is not confined to any one community, because plenty of Mussalmans have got into Government service and so many Sikhs have got into Government service and the service has not gone to the dogs. And I say, give preference to these minority communities wherever there is a vacancy, and be sympathetic to them for some time. We do not want that Muslims should be given these posts at the expense of other communities. Sir, I am not a communalist. I was in the Madras Legislative Council and as a matter of fact I was a Nationalist and a Swarajist. Even today I am to a certain extent of opinion that joint electorates will do more good to the country than separate electorates. But when I find the mentality of certain of my Hindu friends, I am afraid I may have to give up that view for self-protection though I have not yet given it up. Such an argument as efficiency goes home to our hearts and we see that there is something behind their minds when they bring forward that view. We admit, and they too will have to admit, that we have fallen back; we are far behind them in matters of education. But now that we have taken to education and are trying to come into line with the rest, as soon as you give us a certain number of posts in Government service, I am sure this communalism will die a natural death. It is because some people prevent the Muslims from getting their due share under one plea or another that all this communalism is there. When we find that these things are equally distributed and there is no more scope for us to get into Government service, naturally will we have to take to other jobs and we will do it. If the Hindus and the other communities will be liberal to us for a few years, as Mahatma Gandhi put it, with a little bit of courage in their hands, certainly this communalism will die and that is the only remedy for the situation which now prevails.

Diwan Bahadur A. Ramaswami Mudaliar: Sir, in one's travels through the Continent of Europe when one goes to the Eternal City, there is a building which strikes the attention of every one who takes note of the past history of Italy and of Rome, the Coliseum. It was my privilege to visit that building, now in ruins, and as I went in there I pictured to myself the scenes that occurred in the days of might of the great Holy Roman Empire. I thought of the gladiatorial fights that were staged on the floor of the Coliseum, the lion coming from one entrance and the gladiator coming from the other, while tier upon tier sat the Roman nobles and ladies, the Empress Theodora in her unblushing beauty and all the Roman Lords and Senators in their pomp and glory enjoying this gladiatorial fight and cheering and clapping their hands impartially whether it was the brute that was winning or the man that was dying. Sir, I am reminded of those gladiatorial fights when I see on the floor of this House, the Coliseum of modern Delhi, the same fight being staged between some Hindu protagonists on the one side and those who are called communalists on the other, and tier upon tier the present-day Roman Senators

[Diwan Bahadur A. Ramaswami Mudaliar.]

sitting opposite enjoying the show and doing nothing to stop these fights. Sir, I venture to think that, in spite of all the promises that have been made by the Government, in spite of the circulars that have been issued by the Provincial and Central Governments, in spite of the theory that has been advanced that no single community should have a monopoly of the services, in spite of all that, in practice nothing has been done. And if today my friends the Muslims have to put forward their case and some Hindu gentlemen not having the provision to look ahead contest that theory on grounds of efficiency, I certainly think that it is not in the larger interests of the country nor of that harmony which has to be brought about between community and community. I do not go so far as to suggest that there is a deliberate policy behind those who are sitting on the Treasury Benches in perpetuating these inequalities and thereby staging these continual gladiatorial fights on the floor of this House. But I venture to state that, as a matter of fact, in practice all the schemes that they have put forward have not been carried out as regards the removal of monopoly by any single community. My Honourable friend, the Finance Member, stated to my Honourable friend, Mr. Puri, the other day that he ought not to make charges without substantiating them. Within the ten minutes' limit I am not in a position to substantiate charges on the floor of this House, but I give this undertaking to whichever Honourable Member of the Government wants me to substantiate it that I shall place it at his disposal and I will substantiate by chapter and verse and by facts and figures from some provinces at least that all is not fair with reference to this Customs service, as indeed it is not fair or equitable with reference to many other services. Let me not be misunderstood on this point. It is not the Brahmin who has no room or ground for complaint, it is not the non-Brahmin who has no ground for complaint, it is not the Muslim or the Christian. I say that every one has grounds for complaint because the nature of your recruitment, the policy that you adopt, the methods that you pursue, the patronage that your subordinates want to have, all these preclude any single community, Brahmin, non-Brahmin, Muslim, Christian or any other, from being satisfied. It is not even competitive examination that you carry out; it is not the limited competitive examination that we on this side, those who believe in adequate representation of all communities, urge upon you. It is nothing of the sort. On the other hand it is patronage, more patronage, the desire to please yourselves that is the dominating factor in the recruitment of these services. As I said, I am prepared to give facts and figures with reference to every one of these services, and that statement I venture to make with all gravity and with all seriousness on the floor of this House. Now, Sir, that state of affairs must be stopped if there is to be harmony, if there is to be peace and contentment and if we are to direct our attention not to what are so often termed the loaves and fishes of office, but to higher things. And talking of loaves and fishes of office I should like my Honourable friends to remember that in every country it has after all been the loaves and fishes that have counted most. Coming fresh from England and knowing something of political parties and political developments there, I may tell my Honourable friends that the great split in the Conservative Party today, the war that is being carried on by those who have been described by Mr. Baldwin as plutocrats had its origin in loaves

and fishes. The fact that one plutocrat at least could not get his son into a certain post has been responsible for this split that is now raging and tearing the Conservative Party to pieces, and all the grave mischief that has followed is due to that. Therefore let us not talk lightly of the loaves and fishes of office, because in many other countries these loaves and fishes have proved the same terrible and dreadful apple of discord that it has proved in this country. Therefore, Sir, I venture to make a special appeal, not to my Hindu brethren, not to my Muslim or Christian brethren, because all of us are displeased with the methods of recruitment, but I venture to make a special appeal to Government that they should see to it that their orders are carried out loyally by their subordinates and that patronage is not resorted to any longer. Sir, after all Government have accepted one golden rule, that there should not be a monopoly of any community in any particular service. I have heard so often of this theory of efficiency and of competitive examinations being the only method by which efficiency can be established, that I want to bring back my Honourable friends and those on the Treasury Benches to the ultimate ground on which this question of competitive examination was based in the days when it was first introduced. My Honourable friends' predecessors were old Haileybury Civilians who knew not of competitive examinations, and I venture to think that they did as good work at least as the competition-wallas of the present day. But that system was changed by Mr. Gladstone when he was Prime Minister, and the reason for the change was because he felt that the monopoly that was then existing, the nomination of Haileybury Civilians could only be broken by introducing competitive examinations. Let us remember that competitive examinations are not an ideal in themselves; they are merely the means to an end; and Mr. Gladstone thought that the means of breaking the monopoly was through competitive examinations. If in this country you come to the conclusion—and I venture to ask my friends on the opposite side whether they could come to any other conclusion—if in this country you come to the conclusion that competitive examinations, unadulterated and unalloyed, would merely aggravate that monopoly rather than break it, are you going merely to apply that method which Gladstone used without understanding the underlying principle which was behind that method. I therefore am not one of those who advocate unalloyed competition, and I do not want patronage either. I advocate what I should call the limited method of competition, and I think that Members on the Government Benches, Chairmen of Public Service Commissions, and members of the Public Service Commission, they all should work towards the salutary principle that they themselves have enunciated, that there ought to be no monopoly of any single community in the services, and try to see that fairness is established and peace and harmony prevails in the land.

Bhai Parmanand Devta Sarup (Ambala Division; Non-Muhammadian):

Sir, I had intended moving a cut on the North West Frontier Province Demand. I am not going to talk about it now, since the Honourable the Leader of the Opposition persuaded me not to move that cut, so that there might not be any unpleasant discussion in this Honourable House. I gave up that right with due respect to the Honourable the leader of the party. But now I find that the same question is being talked of and discussed in the spirit of communal considerations, therefore I am obliged

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to say that we have to decide once for all what is the principle we have to follow in the matter of the public services. I understand that public service is not a matter of privilege or right of any one particular person or any one community. It is rather a question of duty or service to the Government and through that, to the public at large. The performance of this duty or service requires that the fitness of the man should be found out. If we have to take into consideration that a certain community has specially to be represented, then we have to give up the principle which would keep up efficiency and the status of public service in the country. The question of communal representation in the public services is not simply among the Hindus and the Muhammadans, but as has been urged by my friend, Mr. Mudaliar, it concerns other communities as well such as Brahmins and Non-Brahmins in the South, and as I know in the Punjab, between zemindars and non-zemindars and zemindars and the depressed classes. All the same I think, Sir, the qualification for public service should depend on the fitness and qualifications of the man. There are classes in each community; some classes are fit for doing one kind of work and other classes are fit for doing another kind of work. If we take all the people as one nation and consider that all these classes as parts of the same nation, then the idea of communal selection or election altogether disappears. I take for instance the case of the railway workshop at Lahore. There are about 15,000 persons working there, getting from Rs. 2 to Rs. 5 per day. Almost all of them, more than 14,000, are Muhammadans. Suppose that the Hindus of the Punjab were to say that the recruitment of Muhammadans for this workshop should be stopped till the Hindus have got their proper share in that workshop it would become impossible for the workshop to go on. It is not possible for the Hindus to take to that work. They are not mechanics; they had not done that sort of work before and they would not make good mechanics. The Hindus devoted themselves to the task of writing in the Railway offices. They have been doing that work for such a long time and they have made themselves more fit for this work. The Muhammadans say that they should be given these jobs. I say if we take away the temptation of lucre, or as my Honourable friend Mr. Mudaliar calls them loaves and fishes their argument would lose its force. I would prefer that we should divest all such jobs from the attraction and temptation of money, so that there should be no communal tension over this matter. If you once reduce their remunerations as much as possible and make it only worth the amount of work, then there will be no trouble over this question. But if we are to continue this system of "loaves and fishes" we should follow only one principle and only those should be employed who are properly trained and fit for the work.

Once a friend of mine was talking to me. He was a zemindar. He said, "We have got no posts in the civil Department; therefore we should be given preference over all other communities simply because we are backward". I told him, if backwardness be the guiding principle of our action we have more backward classes, i.e., the depressed classes and all the civil posts and provincial service jobs should be given only to members of these classes; we then shall see how that service keeps up its efficiency.

As to the question of due regard being paid to the Muhammadans or to the non-Brahmins of Madras, I say this; if they are fit and if they are efficient for the jobs, there should be no objection in taking them. The duty of the State is to see that all classes of people are given a fair chance to rise, and secondly, that the State prepares all such classes, whether Muhammadans or Hindus, Brahmins or non-Brahmins and the rest to acquire fitness—and give them a chance to work up their way to any position, they can or they like. But it is a strange and curious demand that a person is not fit for a job, yet he should get it. The principle we have to follow in the selection should be merit and efficiency. We have to test the efficiency by means of some sort of examinations. My Honourable friend finds fault with competitive examination because they are not the ideal tests. They may not be the ideal but for all practical purposes that is the only way by which we can test the efficiency of candidates. I read about an I. C. S. examination, perhaps the last held here. I do not remember the figures exactly; but I think the first four successful candidates were Hindus, and they were taken. Then about 30 or 35 candidates were passed over and a Muhammadan who was about the 40th in the list was taken, besides certain other Muhammadan candidates who were even much below him. This might have afforded great satisfaction to my Muhammadan friends, but the question is whether such a course is in accordance with the principle which we have established for the government of the country. Imagine the feelings of these 35 or 40 candidates who appeared in the examination, did their best and were successful, but had their chances passed over by another candidate who stood much below them, who did not possess the ability or talent to do the work for which they are examined. I know of another such case. A number of candidates who had stood, first, second and third in the Roorkee Engineering Examination were not given posts which were to be kept reserved for Moslems, and one among them who had spent about Rs. 10,000 for his education in the Roorkee Engineering College came to me and said, "Where is the harm if I change my religion in order to get a job? I have spent all my property in getting this education and yet I cannot get one because of my religion". The man is not given a chance for which he tried and invested all his life and all his property in getting proper training. What a hardship it is to deprive the man who spends everything to prepare himself for a career simply because of the communal feeling which requires that this man should not get it, and that the job should be reserved for the other community? Sir, so far as this question of preparation for fitness is concerned, I consider that it is the duty of the State to render every kind of help possible to further education and encourage all the backward communities to go in for education so as to qualify themselves for the various posts in Government service, but when we know that they are not fit, they are not quite up to the mark, I do not understand why these communal considerations should be urged in their support.

Now, Sir, if there is not a sufficient number of Muhammadans in the Customs Department, Karachi, there are plenty of other departments in which the Muhammadans predominate. The same thing I was going to say about the North West Frontier Province. I would have pointed out by quoting facts and figures that although that province

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is an All-India concern and annually gets so much from the Central revenues, yet the Hindus there are very slightly represented; their representation in the public services is quite nominal. I say, Sir, the Hindus there have got vital interests, and therefore their importance should not be overlooked in the matter of representation in the public services, especially because in that province internal and external politics are inter-mixed with each other. Although the Hindus in the N. W. F. Province are in a minority, they represent there the interests of the majority community in the whole of India. Sir, when I say all this I should not be misunderstood. I am not a communalist. (*An Honourable Member*: "Oh, you are not!") (*Another Honourable Member*: "Hear, hear.") I want that the principle of efficiency which the Government have followed all these years, should be followed in the matter of the services, but whatever other principle might be followed, it should be uniformly applied to all communities, Hindus or Non-Hindus, Christians, Parsis or Depressed Classes and Muhammadans. So far as the duty of the State is concerned, it is quite clear, it should see that it gives due encouragement to all the communities in India to educate and qualify themselves.

Mr. B. Sitaramaraju (Ganjam cum Vizagapatam: Non-Muhammadan Rural): Sir, I am afraid I cannot share the enthusiasm of my Honourable friend Bhai Parmanand for competitive examination. Whenever a question like competitive examinations comes up, I am forcibly reminded of the mass production of Ford Cars. No doubt, they are cheap, and no doubt they can be produced by the million, but my own feeling in the matter is that they are absolutely no good in the long run. Sir, I come from Madras, and I claim that I am not a communalist. I have the honour to belong to a caste which has for its creed that justice should be done to all the communities, and therefore, Sir, in the Order Paper you will find I have proposed to move a cut which runs as follows, and which I think, should be discussed as well along with this cut of my friend Mr. Anwar-ul-Azim. The cut of which I have given notice is as follows; "That the Demand under the head 'Customs' be reduced by Rs. 1,000 in order to secure a fair and adequate representation to the various communities such as Sikhs, Moslems, Depressed Classes, Hindu non-Brahmins, Hindu Brahmins, Parsis and Anglo-Indians, consistently with considerations of efficiency and necessary qualifications". (Hear, hear.) That is the cut which I intended to move. But I think I might as well speak now, and not propose to move that cut at all. Let there be no misunderstanding on one point. It is not the desire of my Moslem brethren, nor of any one on this side of the House, that we should have incompetent officers in our administration, but considering the fact that we have been living in compartments in this land and considering also the fact that we are going to build a commonwealth for ourselves in the interests of all communities, should we not have due regard for the claims of the various communities that inhabit this country? It is that point of view that I wish to place in particular before the House. I have the pleasure, Sir, to support this motion and associate myself with it whole-heartedly.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Sir, I have been entertaining a very high regard for my friend Bhai Parmanand for his efforts in breaking the trammels of caste and making the

Hindus one community. But I find, Sir, that, although he does not want to be a communalist, he is heading with great speed towards communism, because he has been claiming that the wages to be paid to the various officers should not be according to their efficiency or the importance of the work they turn out, but according to their needs and so on, and he wants to reduce the salary of everybody. That is almost a communist (*An Honourable Member*: "Is it a communist or communalist?") principle. I say it is a communist principle. Although my friend Bhai Parmanand may not mean it, the doctrine he has propounded will surely lead India towards communism, which I do not support, at all. Dr. Parmanand, although he is against any caste, has been carried away with the old notion about the four varnas Brahmin, Kshatriya, Vaisya and Sudra, which were formed according to the aptitude of different people. He has been preaching, Sir, that those, who are very efficient and whose forefathers have spent their life at the desk and so on are very efficient and clever at desk work, should only be employed in the clerical services of the State, and those, who are artisans and so on, and who have been working in workshops and factories, should always be confined to those places, and they should not aspire to improve their position. His doctrine comes to the preaching of the old doctrine of Varnashrama against which we have all been clamouring. Sir, that doctrine of Varnashrama has done very great harm to this country (*An Honourable Member*: "Question?"), and I think preachings such as those to which we have listened will do more harm than good. My friend from Madras has put forward the claims of the non-Brahmins of that province, and has shown to the House how the resolutions and rules made by Government have not been properly acted upon. I come from the Bombay Presidency, Sir, and the Brahmin non-Brahmin question is confined to the Southern half of that Presidency. To Gujarat and Sind it does not extend, and the non-Brahmins have not got any grievance whatsoever there. But in the Southern half of the Bombay Presidency, the Brahmin non-Brahmin question is as important as it is in the Madras Presidency, and although the Government of Bombay have recognised the claims of the backward non-Brahmin Hindus to favourable treatment, I am very sorry to find that the Government of India in the services directly controlled by them in the Bombay Presidency have not yet properly recognised the claims of the backward non-Brahmin Hindus, and in supporting this cut, I want to bring this remissness to the notice of the Government of India and point out that in the Customs, Postal and Telegraph Departments, in the Railways and in the Income-tax Department the claims of the non-Brahmin Hindus in the Southern, Northern and Central Divisions are not adequately met. The Government should take care to see that the rules of the Bombay Government are also made applicable in the matter of recruitment for all services in the Bombay Presidency.

The Honourable Sir George Schuster: Sir, I find myself in a particular difficulty after this series of ten minutes speeches, and my position now is such that my seat is littered with notes on various subjects which have been raised in the course of the debate and to which I should like to reply, but I am afraid it will be quite impossible to reply to all of them. Let me first say something of the general position of the Government in this matter. I confess that I was feeling at the outset that we had strayed from the realms of finance, to which we have kept so remarkably close in the course of these Budget debates—that we had strayed

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from the realms of finance and that I was sitting rather uncomfortably in the corner of the room, a witness of a family quarrel which I had no desire to witness. I then found, Sir, to my surprise that, in the view of at least one of the Honourable Members opposite, our position here was rather that of Roman senators sitting in the Coliseum gloating over the spectacle of gladiators fighting wild beasts or fighting each other. My Honourable friend, who used that simile, with his accustomed skill, did his best to turn the general course of the debate, and if I may continue to use his own simile, I may put it that had we been watching the sort of spectacle which he described, we would have suddenly seen some new figure enter the arena, and with a loud voice cry to all the combatants, wild beasts and gladiators alike, "Stop fighting together. Come and join me, and we will fight the spectators". Thus he endeavoured to turn the attack and to lead it against us on these Benches. It is perhaps unfortunate for him that my Honourable friend's speech was not the last speech of the debate, for no sooner had he sat down, than at least some differences of opinion appeared in the ranks of those in the arena, and the spectators were again able to sit back for a bit, not in imminent danger of their own lives. (Laughter.) But when one comes down to facts, our position really is one of those who are responsible for administering these Departments and dealing with what is an extremely difficult and troublesome problem. I am sure that every one will admit that. Whatever the amount of goodwill that there may be, this is an extremely difficult practical problem, and the only question is whether we are dealing with it fairly.

My Honourable friend, who led the main attack on the Government, referred to the question of patronage. So far as the Department, which is now under discussion under this cut, is concerned, the recruitment is always made personally by the heads of the Departments, and I do not think that the head of the Department in any case can be accused of favouritism or of having any inducement to favouritism. But I may say also that we are dependent on local conditions, and we are greatly handicapped by the absence, except in Madras, of any local Public Service Commission. We are asking the Madras Commission to help us so far as we are concerned with Madras appointments. That, Sir, is the general position, but if my Honourable friend has really any charges which he would wish to make—and he has said that he would be glad to substantiate them—I certainly should be very pleased to discuss the matter with him and to hear what he has to say. For, as I have said, this is a very difficult question, and we are only anxious to handle it in the best way that it can be handled.

I should like then to go back to the opening speech, because, after all, the Honourable the Mover of the motion deserves my chief attention. I sympathise with him, and I feel exactly what he himself seems to feel, about his position. He has got to come forward on every possible occasion and bring these facts to our notice. That is his only effective method of dealing with the matter, and from our side, I may tell him that we do not at all object to this; in fact, it is our best method of being informed as to the facts, and of having our attention called to any points where anybody feels that he has a grievance. I think he referred chiefly to new appointments in Calcutta, and there I have got the figures for 1930. The new appointments during 1930 in Calcutta were, as regards Appraisers, Mussalmans

nil, others 2; Preventive Officers, Mussalmans 5, others 19. I would remark in the case of these 19 others, 14 of those were Anglo-Indians, for they are particularly adapted to the work required of Preventive Officers. As regards ministerial officers, Mussalmans were 6, and others 14. Now, I do not think that it can be claimed that these figures show that the Mussalmans as a whole have been unfairly treated, and in fact, we are working on the rule which guides the policy of the Government of India at present. We are gradually trying to bring up the representation of minority communities wherever that is necessary in the various parts of the Customs Department. Now, a good deal has been said about the appointments of Superintendents and Appraisers, and criticism has been made about statistics in those two particular grades. I wish to point out that Superintendents and certain other classes that may be classified therewith are promotion appointments, and promotion appointments cannot be made on communal grounds; they must be made on the basis of merit. Therefore, if the class from which the promotions are made does not contain a proper proportion of Mussalmans, it is, of course, inevitable that for the present among the promotions that are made from that class the percentage may seem to be small, and the proper way for redressing that position is to make sure that in the class from which the promotions are made the minority communities are properly represented, and that I think we are doing. The Appraisers, which are a special class, have been mentioned. I may say that they are usually appointed by promotion, or they are specially selected for special technical qualifications and there, again, the communal basis is very hard to bring in.

As regards the general progress in the Customs Department, I think we may claim that, acting on the rule which has been, as I have said, guiding the policy of the Government of India since 1925, there has been a considerable change for the better from the Mussalman point of view in the proportion of Mussalmans in the Customs Department. It is quite impossible to bring about a sudden change, and if the figures at the present moment or any other particular moment are unsatisfactory, I submit that that is not really what should be looked at. What should be looked at rather is the tendency in the Department, and the figures comparing one period with another. There, taking the Customs Department as a whole, the percentage of Mussalman representation in the Imperial Customs Service on the 1st January, 1925, was 6 per cent., and on the 1st January, 1931, it was 8.5 per cent. As regards the clerical establishment, it has increased from 7.9 per cent. to 8.9 per cent., and as regards the non-clerical establishment, from 6.5 per cent. to 9 per cent. Those figures I think show a satisfactory tendency.

Then looking at the wider aspect of the question and treating it not as a communal question but as an all-Indian question, which is, I am sure, what the majority of Honourable Members opposite are really interested in, taking the figures again on the same dates, the percentages of Indians excluding Anglo-Indians and Europeans were as follows. In the Imperial Customs Service on the 1st January, 1925, 29 per cent., which had increased to 40 per cent. on the 1st January, 1931. Subordinate gazetted posts increased from 22.7 per cent. to 48.4 per cent., and the clerical posts from 95.9 to 96.6 per cent. This I think shows that as regards general policy we are working in accordance with what would be the wishes of Honourable Members opposite. Then my Honourable friend from Karachi had also some criticisms to make, and to him also I would say that it is not

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only the position at any particular moment which should be regarded but the tendency. If I take the Karachi figures, taking new appointments, the total number of new appointments made in the clerical grades in the period from 1925-27 was 57, and out of them the number of Muslims appointed was only 3—or 5 per cent.—but in the period from 1928-30, out of new appointments in the clerical grades of 16, the number of Muslims appointed was 7, or 44 per cent. The percentage therefore of new appointments had risen from 5 per cent. to 44 per cent. In the clerical grades in the earlier period, out of 18 new appointments, only 2 were Muslims or 11 per cent., but in the later period there were 2 out of 8 or 25 per cent. I have a number of other figures which I could give showing the working of this tendency, but I do not wish to make too much of figures, because as a matter of fact if one works with statistics and in percentages, it is very easy to present a case either one way or the other according as one juggles with the figures. What I am more concerned with is that Honourable Members should be satisfied that we are working according to the policy which has been laid down, and that there is no legitimate ground of complaint in any case. Now, the best way of dealing with that is that Honourable Members should bring to our notice specific cases, and if cases are brought to our notice and if there is a reasonable feeling that they are not dealt with sympathetically and energetically, I should be glad to have our attention drawn to that fact. It is a question of administration. It requires constant attention. We are dealing with a service operating over the whole of this vast Continent. In one place or another, things do not always go exactly as every Member of this House, whatever his particular interests, would wish, but if Honourable Members will organise, and I would particularly make this remark to my Mussalman friends, if they would organise and watch these cases and present to us carefully worked out arguments and be ready themselves to organise and supply us with suitable candidates, I believe we can in course of time work up a system which will satisfy everybody. It will take time to work up to it. It requires constant attention, and I venture to go so far as to say that we cannot on our side achieve all that is necessary. The Mussalman community must itself help us, and I can promise them that we will respond.

Mr. Muhammad Anwar-ul-Azim: I am glad that our remarks have attracted some attention on the Treasury side. I am really surprised, more than surprised, Mr. President, that merely pleading that certain justice had not been done to my people and the mere mention of it on the floor of this House has touched the liver of my friends on my right. I do not know what our position would be if the situation gradually changes and takes a different shape. It is all very well to say that my friends on the right are not communalists. It is all very well to say that they are absolutely impartial, but the difficulty is this. What is the exact situation? Look at the history of the fight that took place between an ex-Judge of the Madras High Court and the ex-Governor of an Indian province in this country in connection with a case. That book is proscribed fortunately, and you find that there are tons of things which emanated from a person holding the position of a Judge of a High Court in this country and who also held a position in the Executive Council under the Government of India. I will not dilate, Mr. President, on that. I am not a communalist. I am not anything of that sort, but in reality, I am a great friend of my country.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): On a point of order. I thought the Honourable Member was making unnecessary and untruthful insinuations on the past record of my esteemed friend Sir Sankaran Nair. For the present he is a Member of the other House and according to tradition and custom in this House, the Honourable Member should not refer to proceedings in the other place with a view to cast aspersions on personalities.

Mr. Muhammad Anwar-ul-Azim: I am not making any aspersions. I am not making any insinuation.

Mr. C. S. Ranga Iyer: It is vulgar and coarse abuse.

Mr. Muhammad Anwar-ul-Azim: We have many precedents to show that it is absolutely impossible for myself or anybody of my faith to believe in the so-called non-communalistic professions of my friends on the right. Being a Liberal myself, I do not want to bring in any controversy, but it seems strange that even the mere mention that in the Calcutta Customs and at Chittagong we are not properly represented could bring such ire and wrath from my friends on the right and who call themselves Nationalists. I do not understand what will be our position. In any case I will not dilate on that. I will say this—perhaps Government in their wisdom could not follow a policy by which everybody might benefit all round. In the reply of the Honourable the Finance Member, he perhaps wanted to say and that rightly that I have been taking all the possible chances of making representations to them in season and out of season, but I can assure him that even that insinuation and indifference will not throw me in the laps of the Congress or the left wingers, because I believe that justice and fair play will always find a very substantial support in the Government of India at all times. No useful purpose will be served by dilating on this. I do not press my motion to a division.

Mr. President: Do you wish to withdraw it?

Mr. Muhammad Anwar-ul-Azim: Yes; as all the Independents and others have their goodwill in this measure.

Mr. President: The question is that leave be given to Mr. Anwar-ul-Azim to withdraw his motion. (*Some Honourable Members:* “No.”) I hope the Honourable Members who have shouted “No” will realize that if leave is not granted, the matter will proceed to vote.

Some Honourable Members: Yes.

Mr. President: I will ask the House again. The question is:

“That leave be granted to the Honourable Member to withdraw his motion.”

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

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.

Mr. Muhammad Anwar-ul-Azim: Sir, I do not wish to move any of the cuts that stand in my name under this Demand, as the time at our disposal is very short.

Failure of the Government to prevent Dumping of Wheat and Sugar on the Indian Market.

Lala Hari Raj Swarup (United Provinces: Landholders): Sir, I move: "That the Demand under the head 'Customs' be reduced by Rs. 100."

Under this head, Sir, I want to discuss the policy of the Government with regard to the imports of these commodities and the depressing effect which the dilatory policy of the Government is having upon the prices of these two commodities, with the resultant evil effect over the agricultural classes, who form about 90 per cent. of the Indian population. Sir, the internal requirements of wheat in India are about 88 lakhs of tons a year. In reply to a question of mine, I got some figures regarding the imports and exports of wheat. According to these figures from the year 1919-1920 right up to the present year I find that during 8 years out of 12 we had a surplus produce of wheat in India. But in spite of the surplus produce of wheat, there have been huge imports of wheat from abroad. One result of this import of wheat, especially when we are ourselves producing more than our actual requirements, has been a depressing effect on the prices of wheat, and the other result has been that, at this time, we have about a million tons of surplus wheat in India which cannot find a market either in India or abroad. During the last six years, from 1924 right up to 1930, the imports of wheat into India have been continuously rising, so much that in the present year when we produced about 10 million tons, that is about one million in excess of our own requirements, there have been imports to the extent of 76,000 tons. There was another anomaly, namely, that the railway rates on wheat from various centres in India to the places on the sea-coast have been very high, with the result that the wheat from abroad was selling at lower rates in those places than the wheat produced in India. Though some concessions in freight to Karachi and Calcutta have recently been announced, yet I am doubtful whether, even in spite of this decrease, Indian wheat will be competing favourably with the foreign wheat in Calcutta and other places on the sea coast. The present agricultural depression practically began from October, 1929, after the Wall Street collapse, and it is now more than a year and a half that the prices have been continually going down. From time to time, the Chambers of Commerce and the various associations of the zamindars have been pressing upon the Government that they should come out and take some steps to maintain the prices and relieve the distress of the agricultural classes. But the reply that we got was that the prices depended upon the world movements and it was difficult to control the world forces. I admit that it is difficult to control the world forces, but when we find that from day to day the various countries of the world are taking steps to protect their own agriculture, I fail to understand why the Government in this country should not adopt similar or other measures which may be in keeping with the needs and requirements of India. The other day the President of the Board of Trade, Mr. Graham, in London in reply to a question in the House of Commons in connection with the recent conference in Paris on the existing European grain surplus, said that the final act declared

inter alia the willingness of countries importing foreign grains to participate to the utmost possible extent in the purchase of stock available in grain exporting countries of Central and Eastern Europe. Japan also banned the imports of rice in order to give a sufficient stimulus to their own rice industry. Germany, similarly, adopted protective measures for protecting its agriculture, and Canada also adopted a scheme for advancing loans to and improving the marketing needs of the tenants.

Sir, I now come to sugar. The position with regard to sugar is still worse. In India we have about 21 per cent. of the total area of sugarcane cultivation in the whole world, but in spite of that, we are importing to the extent of a million tons of sugar in one year valued at about 15½ crores of rupees. In this connection, I will quote a few figures and will show that, from the year 1923-24 right up to the year 1929-30, the imports of sugar from all sources in India have practically been doubled. In 1923-24 they were 411,500 tons and now they are 939,600 tons, which means practically double and 1,36,600 tons more than even the pre-war import figure. The chief sources of sugar which compete with Indian sugar are Java and beet sugar from the Continent of Europe. And now a third competitor has come into the market, namely, Russia. The imports from Java have, as figures will show, practically doubled in this period. The imports of beet sugar were 8,000 tons in 1928-29, and this year they are 1,31,000 tons. Russia has begun to dump its sugar on the Indian market from this year, and if its 5 years' programme, as was announced recently, comes to fruition, then I am sure they will oust all other competitors from the Indian market and will ruin the Indian industry. With regard to this industry, Sir, the Industrial Commission reported in 1917-18 and laid stress on the point that sufficient protection should be granted to this industry. They recommended also that this industry should be developed and India be made self-sufficient with regard to her sugar needs. Then came the Sugar Committee's Report in 1920 and lastly came the Report of the Agricultural Commission in 1926. The recommendations of the first two were utterly ignored, with the result that a period of 10 or 12 years passed without any State aid or help to the Indian Sugar industry and the foreigner got an excellent opportunity to recapture the Indian market after the war. It is true that the Government have appointed in response to the wishes of the Agricultural Commission the Central Advisory Research Council and are giving to the Council 10 lakhs a year for improving the sugar industry, but I doubt very much if this grant of 10 lakhs which I regard as merely a pittance will be sufficient to improve this great national industry. Sir, unless the Government adopt a bold policy, I have little hope that this industry will attain its glory for a long time to come. The Tariff Board have recently reported and recommended a protective duty for sugar. Although, I do not want to go into details of the Tariff Board's Report at this time because we shall have another opportunity to discuss it, I wish to impress upon the Government that, unless they adopt some bold measures like the Egyptian Government, I have very little hope of the industry surviving.

Sir, I will now conclude my remarks. All that I want to make out by moving this cut is that the Government of India should take some effective and far-reaching steps like other countries and not simply content themselves by saying that agriculture is a provincial subject, because now in the throes of world competition, this subject is assuming an all-India importance and should be dealt with as such.

1932

LEGISLATIVE ASSEMBLY.

[12TH MAR. 1931.]

Pandit S. N. Sen (Presidency Division: Non-Muhammadan Rural): Sir, it is an accepted principle that protective duty on articles of which we have got an adequate home supply is a good source of income. I think the Honourable the Finance Member should have utilised this principle with advantage in the present emergency rather than increasing the rates of income-tax to an inordinately high degree, because this latter course is likely to give rise to a widespread discontent in the country. When making a list of articles that are deserving of protection, wheat comes uppermost in our minds. The dumping of wheat is going on on a large scale, and no steps have as yet been taken to check that process. Sir, we spent much of our time on the previous motion, crying for loaves, I should say lowly loaves, to be thrown to us by our masters at their pleasure. Here is a better source of loaves to be equally shared by Hindus and Muhammadans, Parsis and Jains, irrespective of caste, colour and creed. I hope that this better source of loaves will not be allowed to be neglected.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): Loaves are made of wheat. (Laughter.)

Pandit S. N. Sen: Yes.

In this connection, I hope I will be allowed to mention some other articles, namely, coal and ghee. We have been crying ourselves hoarse for the past few years for a protective duty on South African coal, but that cry has been a cry in the wilderness. A special and prohibitive duty was recommended on vegetable product by this House some time ago, and even that recommendation has been flouted. The duty on vegetable product was 15 per cent., and it has been raised only to 20 per cent., along with other items in the same schedule. I think, in deference to the recommendations of this House, a prohibitive duty should have been levied which might have come up to, say, 50 per cent.

Kunwar Raghubir Singh (Agra Division: Non-Muhammadan Rural): Sir, I extend my wholehearted support to my Honourable friend Lala Hari Raj Swarup in his motion to draw the attention of the Government to its failure to prevent dumping of wheat and sugar on the Indian market. As to wheat, Sir, the country has been hardly hit by the lowering of prices and the Government have only been able to impose a lower freight on the railways. But, Sir, in my opinion and in the opinion of my constituency it is not enough for the cultivators, and some more steps should be taken by Government to relieve the distress.

Then, the second thing was sugar on which my Honourable friend laid stress. I am sorry that quite sufficient protection has not been given to it in spite of the recommendations of the Tariff Board. Nor have the Government been doing sufficient to increase the output of sugar to the extent that it is required in the country, and the import of sugar has been considerable for a long time. The interests of the agriculturists should be the first consideration of Government, but in spite of a very sympathetic Viceroy, who takes a keen interest in agriculture, protection has not been given in sufficient quantity. Agriculturists have suffered not only since last year, but for some three or four years. So they can now look only to Government for relief, but the Government are only pleased to take half measures. Then they have to go to the agitators who cannot help as much as Government can, but still Government can do a lot to relieve the distress and the grievances of the ryots, so that

the distress of the agriculturists may be nipped in the bud. Sir, with these few words, I support my Honourable friend Lala Hari Raj Swarup.

Mr. S. C. Shahani: It is with great pleasure that I rise to support the motion which has been moved by my Honourable friend Lala Hari Raj Swarup. If other countries like Japan and Canada have been protecting their agriculture, there is no reason why we should not similarly protect our agriculture. Our shipping companies have been giving concession rates to countries like Australia and Java. As I said sometime ago my information is that 3 annas per maund is the charge from Java to Howrah, while 4 annas 6 pies per maund is the charge levied from Java to Karachi. We have been saying all along that we should have prohibitive special duties on the imports of articles such as wheat and sugar. We have been told by the Honourable the Finance Member that the question must be carefully examined before any action is taken by Government. This is no doubt an age of committees and commissions, but yet there is a limit to all things. If the case is so clear as it has been made out to be by my Honourable friend Lala Hari Raj Swarup, it is only desirable that we should, even this year, go in for protective duties.

The Honourable Sir George Rainy: I do not think, I shall have any difficulty in keeping what I have to say on this subject today, within the time limit which the House has adopted. I shall not, for instance, follow my Honourable friend Mr. Sen into the question of protective duties on coal and vegetable ghee, which are, perhaps, hardly within the terms of the motion as it appears on the paper. I shall merely say about coal that that question was very fully considered by the Tariff Board some time ago, and it was then decided on the Tariff Board's recommendation, that there should be no duty. I have heard the case for a heavy duty on vegetable ghee argued repeatedly both in this House and in the other House, and it was always argued not on economic grounds at all, but on quite different grounds, namely, grounds of public health and grounds of that sort.

Now, as regards the question of wheat, I had hoped to be able to tell the House today exactly what the Government views are, but I regret to say that I am not in a position to do so. I hope, however, to be able to do so—in fact, I have no doubt I shall be able to do so—before the end of this Session. It is a question which requires a good deal of rather careful examination. I am not going into details just now and I am not going to try to argue the matter, but I should like to draw attention to one or two important points. One of them is this. If it is a fact that there is a surplus of something over a million tons of wheat in Northern India today, it is difficult to see how, as long as there is a surplus of that size hanging over the market, any duty you could impose, could appreciably raise the price. On the other hand, another circumstance has to be taken into account. If there is in fact a surplus as big as that, how is it that the price of wheat in the Punjab today has risen to a point where it is about a rupee a maund above world parity? You have got to balance these two things against each other and consider what bearing each of them has on the problem with which we have to deal. I quite agree that the interests of agriculture come first in India, and that if agriculture is seriously suffering, then a duty rests upon Government to do what it can to help. On the other hand, as long as India is mainly an exporting country as regards agricultural produce, then two

[Sir George Rainy.] things have to be borne in mind; one, that the opportunities for assisting agriculture by protective duties will be very few, and the other is that we are in a very vulnerable position if other countries should wish to take the kind of action which we are frequently asked to take. And I ask the House to remember that it is a game at which more than one can play. It is always a question to consider whether we stand to gain more or to lose more.

As regards sugar, I should only like to say this. We have raised the duty on sugar, or we shall have raised the duty on sugar if the House passes that particular part of the Finance Bill, three times within, I think, six years. The first was when the *ad valorem* duty of 25 per cent. was made a specific duty in 1925 or 1926, and I say that was equivalent to an increase in the duty, because, owing to the fall in prices three years later, the specific duty was more nearly 50 per cent. than 25 per cent. We raised the duty again last year and we propose to raise the duty this year, as Honourable Members have seen in the Budget. That certainly is not inertia or inaction. One of the speakers was apprehensive as to what might happen if there were heavy imports of sugar from Russia. That no doubt is a possibility to be taken into account, but at present it is only a possibility. On the other hand we have had definite information that some of the countries, two of the great sugar-producing countries, Cuba and Java are initiating restrictive measures to relieve the price situation by restricting the supplies which they put on the world markets. Therefore that is an influence working on the other side towards higher prices. As far as I can judge, and as far as the Government of India can judge, with the duty we have proposed in the Budget, which is equivalent to the duty which the Tariff Board proposed, there ought to be no great danger to the sugar industry up till the September Session, when Government will put before the House their conclusions on the Tariff Board's Report. That I think concludes what I can say at the moment, and in view of the time-limit I will not occupy the time of the House further.

Diwan Bahadur T. Rangachariar: Sir, the subject is far too important for me to allow the Honourable Member's statement to go unnoticed. No country, he must remember, has suffered so enormously by its lack of policy in regard to the protection of agriculture as England. How much was England crying for food from outside during the great war! How much did they regret that they had neglected their agriculture and the country had become purely industrial! They were then in the throes of a life and death war. Now, Sir, the danger of competition from well-organised countries is looming large. My Honourable friend cannot deny that. Other countries with well organised Governments and with resources at their disposal and having their own Government are trying to capture the Indian market. Does he deny that Australia is trying her best to find an opening in India? Does he deny that Canada is trying to do the same? Now, Sir, the open-door policy that we have been adopting in these matters has led us in several matters to the brink of danger. Let us wake up when it is still early. Let us not allow things to grow serious—that was the word used by my Honourable friend. We will then be doing what other people have been condemning, shutting the

stable door after the horse has been stolen. Sir, India is an agricultural country; it has got a growing population. I have not got the exact figures of the growth of population according to the recent census, but in my own province the increase has been by more than 20 per cent. We have no outlet for our surplus population. Emigration to other countries is prohibited. We have got grand projects for irrigation. What for are we spending money for irrigation and what for are Government taking credit for starting irrigation works? Is it to grow wheat not to be able to sell it in your own country? Is the country going to be starved? Are you going to drive the peasant out of his profession? It is the only profession which is left for the bulk of the population which is agricultural. The growth in the bulk of the population will be an agricultural population. If you are not going to protect the primary products of the country, the food products of the country, are you going to allow the millions to starve later on so that when a world crisis comes on you are unable to get your food supplies from abroad? Let us not get to that stage which England got to. So my friend has done great service in drawing the serious attention of Government to this matter, not merely the half-hearted attention which my Honourable friend is able to bestow upon it. Let us not shut our eyes to it till the situation becomes more and more serious. Let us have an eye on it. Make the wheat produced in this country more marketable inside the country itself. Give facilities in railway rates; prevent wheat from other countries invading this country. By all means we are entitled to do it. Why should we be afraid of retaliation in this matter? It is not England which is competing with us. In that case you might have a soft corner in your hearts for England. But that is not the case. It is the case of a foreign country trying to capture the market. Why should we hesitate to apply preventive remedies which we need? So while I will ask my Honourable friend not to press this motion to a division, I warn the Government that they are undertaking serious risks in not taking serious notice of this question.

Sirdar Harbans Singh Brar (East Punjab Sikh): Sir, coming from a purely agricultural constituency, I feel that I must express my feeling regarding the Government policy of allowing every year lakhs and lakhs of tons of wheat from outside without any protective duty and not encouraging the Punjab wheat to find markets in India by reducing the freight rates. Last year about 35 crores worth of wheat came from Australia, while the Punjab wheat did not find enough market in Bombay, because they could not sell it so cheap due to the high freight rates. From Australia to Bombay the rates are cheaper than from Punjab to Karachi and Bombay. And if we allow things to go on like this, every year—the dumping of wheat from foreign countries into India—poor agricultural India representing almost 70 per cent. of the population will go starving. It is almost on the verge of it. In England I find Mr. Lloyd George with his land and nation scheme pressing on the nation that it must be self-sufficient as regards food stuffs and that it must resort again to agriculture, which England has forsaken for the sake of industries. In India, the overwhelming population of which lives on agriculture, if it goes to industries leaving agriculture alone, I think we will be committing suicide.

[Sirdar Harbans Singh Brar.]

Then again as regards fruits, there are cold storage plants in Calcutta, Bombay, Madras and Delhi, and fruits from New Zealand, Australia and Newfoundland come and find a market here, while our Government are doing nothing to encourage fruit growing in India, which is an agricultural country and which can produce fruits—perhaps much better fruits.

As regards *ghee*, I say that unless you put high protective duties on vegetable *ghee* which comes from outside, the health of the population in India will deteriorate, and we will become a nation of shopkeepers in a few decades from the martial races that we are so much spoken of to be. I think the Government will be doing the greatest disservice to the country about the time of their leaving it in the hands of the Indians, if they do not do their best they can for the health and prosperity of the teeming millions of India, whose guardians they so much profess to be; and I would urge on the Government that it is high time that they should put very high protective duties on vegetable *ghee* and on the import of wheat from outside, and reduce the freight rates in the country so that the wheat produced in India can find ample markets within India itself, and we shall get our own fruits and our own agricultural produce.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadian Rural): Sir, if I intervene in this debate, it is for this reason, that the import of wheat is also closely allied to the difficulty we in Southern India are labouring under in regard to the import of rice. Madras happens to be the largest rice consuming province in India; and though we are raising large quantities of rice, we have to depend upon Burma and other foreign countries for our needs. Burma, I know, is one of our own provinces; but a good deal of rice is imported from foreign countries. Foreign rice, though inferior in quality, is sold cheaper than certain indigenous varieties. The other day, in answer to my question, the Honourable the Member in charge of Agriculture told us that rice was largely imported into the Madras Presidency and Government are considering what protection can be given to the cultivators. So I contend that the protection that is proposed to be given to wheat should be given to rice also.

As regards sugar also, Madras is in a similar position, as it is one of the chief sugar producing provinces of India; and though the manufacture is a monopoly in the hands of some European merchants, the ryots produce some kind of coarse sugar called *jaggery* which is subsequently refined and made into nice sugar. There is keen competition with the sugar imported from Java and other places, and if immediate protection is not given, the industry is sure to languish.

Sir, I have great pleasure in associating myself with what has been said and I support the motion.

Mr. President: Does the Honourable Member wish to reply?

Lala Hari Raj Swarup: I want just to throw out one suggestion for the consideration of the Government, that when they frame their own proposals they will think of enacting some legislation to regulate speculation in wheat. Speculation in wheat is also one of the causes of retaining an unnecessary surplus in this country and the speculators do not allow that wheat to go out of the country. That is the only suggestion I have to make.

Mr. President: The question is:

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

The Assembly divided:

AYES—48.

Abdoola Haroon, Seth Haji.
Abdur Rahim, Sir.
Anklesaria, Mr. N. N.
Azhar Ali, Mr. Muhammad.
Badi-uz-Zaman Maulvi.
Bhargava, Rai Bahadur Pandit T. N.
Bhuput Singh, Mr.
Chandi Mal Gola, Bhagat.
Chetty, Mr. R. K. Shanmukham.
Das, Mr. B.
Dudhoria, Mr. Nabakumar Sing.
Dutt, Mr. Amar Nath.
Fazal Haq Piracha, Shaikh.
Gour, Sir Hari Singh.
Gunjal, Mr. N. R.
Harbans Singh Brar, Sirdar.
Hari Raj Swarup, Lala.
Hoon, Mr. A.
Ibrahim Ali Khan, Lt. Nawab Muhammad.
Ismail Ali Khan, Kunwar Hajee.
Isra, Chaudhri.
Jog, Mr. S. G.
Krishnamachariar, Raja Bahadur G.
Kyaw Myint, U.
Maswood Ahmad, Mr. M.

Muazzam Sahib Bahadur, Mr. Muhammad.
Mudaliar, Diwan Bahadur A. Ramaswami.
Pandian, Mr. B. Rajaram.
Pandit, Rao Bahadur S. R.
Permanand Devta Sarup, Bhai.
Puri, Mr. Goswami M. R.
Raghubir Singh, Kunwar.
Rajah, Raja Sir Vasudeva.
Rajan Bakhsh Shah, Khan Bahadur Makhdum Syed.
Ranga Iyer, Mr. C. S.
Rangachariar, Dewan Bahadur T. Rao, Mr. M. N.
Rastogi, Mr. Badri Lal.
Sarda, Rai Sahib Harbilas.
Sen, Pandit S. N.
Shahani, Mr. S. C.
Singh, Mr. Gaya Prasad.
Sitaramaraju, Mr. B.
Sykes, Mr. E. F.
Thampan, Mr. K. P.
Wajihuddin, Khan Bahadur Haji.
Walayatullah, Khan Bahadur H. M.
Yamin Khan, Mr. Muhammad.

NOES—39.

Acheson, Mr. J. G.
Alexander, Mr. W.
Allah Baksh Khan Tiwana, Khan Bahadur Malik.
Ayyangar, Diwan Bahadur V. Bhashyam.
Bajpai, Mr. G. S.
Banarji, Mr. Rajnarayan.
Baum, Mr. E. F.
Boag, Mr. G. T.
Chatterjee, The Revd. J. C.
Cocke, Sir Hugh.
Dalal, Dr. R. D.
Fox, Mr. H. B.
French, Mr. J. C.
Graham, Sir Lancelot.
Gwynne, Mr. C. W.
Hamilton, Mr. K. B. J.
Heathcote, Mr. L. V.
Hezlett, Mr. J.
Jawahar Singh, Sardar Bahadur Sardar.

Khurshed Ahmad Khan, Mr.
Macmillan, Mr. A. M.
Montgomery, Mr. H.
Moore, Mr. Arthur.
Morgan, Mr. G.
Mukherjee, Rai Bahadur S. C.
Parsons, Mr. A. A. L.
Rafuddin Ahmad, Khan Bahadur Maulvi.
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.
Sher Muhammad Khar, Gakhar, Captain.
Shillidy, Mr. J. A.
Studd, Mr. E.
Tin Tut, Mr.
Young, Mr. G. M.

The motion was adopted.

Sikh Representation.

Sirdar Harbans Singh Brar: Sir, I beg to move:

3 P. M.

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

[Sirdar Harbans Singh Brar.]

We have been hearing for some days past about communal representation in the public services, or about the lack of Muslim representation in the services. I fully appreciate the demands made by that community, and I think that in considering the interests of the minorities in India, we should also consider the interests of that small minority community known as the Sikhs, whose services to the King and the country have not been behind those of any other community, and whose vested interests are not inferior to those of any others as pioneers in agriculture, engineering and other fields of activity. I find that in the Customs Department especially there is not a single Sikh in the gazetted ranks. The importance of the community was well recognised by Lord Chelmsford and Mr. Montagu in their Report on constitutional reforms, and it was on account of their great importance and vested interests in the country, that the Sikhs were recognised as an important minority, that should be given separate representation in constitutional reforms. Now, Sir, what is the position that we find today? The formula is laid down that minorities shall have due representation in Government services, and that no one community should be allowed to predominate in the services, but Government regard as minorities only those who belong to the Muslim community. All other minorities have to go by the board. Anglo-Indians of course are always given special consideration in all departments of Government; they have been treated as pet-children of the Government, but I think that now that the constitutional reforms are again in the melting-pot and the various communities are pressing their claims in all walks of life, I would not like the Sikh claims to go unheard either in the constitutional field or in the services. In the Railways also we find that Sikhs are given very little representation, and in other services they receive very scanty justice from the Government. Now, Customs is one of the very important subjects in which Government employ a lot of educated Indians, and under the democratic form of government, when the European element is reduced by stages, the openings for Indians will certainly increase, and I would request the Government that they should now consider very carefully that the claims of the Sikhs shall receive due consideration regarding future appointments in that Department, and see that due weightage is given to them, having regard to their services to the King and the country and their vested interests in the land. I hope, Sir, such an assurance will be forthcoming from the Government. With these few observations, I place my motion before the House.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, I whole-heartedly support this motion, and I think that when the Muhammadans are claiming for themselves separate representation according to their population basis, it is only just and fair that they must support the claims of the other communities in this matter. If my Sikh brethren have not got their proper share in the Customs Department, I think that it will be advisable for Government to see their way to provide for the Sikh Community their due share in that Department as well.

Mr. C. S. Ranga Iyer: Does the Honourable Member agree to give the Sikhs weightage, even as the Mussalmans in the United Provinces are given weightage?

Mr. Muhammad Yamin Khan: I am not talking of weightage here; I am talking of the due share, the proper share to the Sikh community which has quite well advanced. In spite of that advance, if they have not got a proper share, it must be given to them. There is no question of getting any weightage, because if there is to be a weightage, if I may say so, it will have to come from some other communities which I would leave to my Honourable friend to judge. I will whole-heartedly support weightage if any major community wishes or agrees to give the small Sikh community a certain weightage in spite of losing something for themselves. This question of communal representation comes every day before the House, and the only solution to it is that there should be a proper adjustment between all the communities taken together. I think that we should finish this question once for all, and we do not want it to come up every now and then. The best course would be for the Government to invite some persons from the Assembly or outside and sit together and let them decide what each community should have. Then, the best man should be selected from among the community itself. I do not want that you should give the appointments to the Muslim or Sikh men who are not fit. But allot a certain portion for each community, and then take the best people within the community, and do not take them if they do not come up to the standard. Decide on the proper proportion for each community, and then select from that community the most efficient and qualified persons for the appointments. If the community cannot produce those men, then, of course, we cannot help it. I am not sure whether the Sikh community has its proper share in the Customs Department.

Sirdar Harbans Singh Brar: There is not a single person.

Mr. Muhammad Yamin Khan: If they have not got any in that Department, then they must get their share. I will wait for a reply from the Honourable Member on the Treasury Benches as to whether there is any Sikh in this Department or not. I have not got the list with me. If they have not got their share, I hope that he will give a promise to look into the matter and provide them with a proper share in the near future.

Mr. Amar Nath Dutt: I had no mind to intervene in this debate but for the communal turn it has assumed. It was an evil day when the originators of the various religions established religions on earth and thus divided humanity. Sir, I for one wish that there had been no religion except a code of morals to guide humanity. A third party has got the chance of dividing Indians from Indians because of a difference in religion. I happen to be a Hindu today, but if I change my faith tomorrow, my Honourable friend over there, Mr. Anwar-ul-Azim, will at once ask for some appointment for me. (Laughter.) The representation which is asked for is not on a community basis, is not on a tribal basis, is not on a racial basis, but it is on the basis of faith. What reason can there be for a man to be given a certain job because he happens to follow a certain faith? I do not understand that. It stands in the way of Indian nationalism, and really those who want to have one nation in India ought not to speak in this strain. Unfortunately for us, the Government in their distress at the present moment want to have the help of some communities by throwing out baits like this. It is a most unworthy device to seek the

[Mr. Amar Nath Dutt.]

nelp of a class in that way by giving them bribes, and I cannot deprecate too strongly such a practice and it is unworthy of any civilised Government.

Now, who is the originator of all this communalism? It is the Government. It is often said that it is the Lucknow Pact. Falsely that charge is laid at the door of the Congress. It was the Minto-Morley reforms. Previous to that, was there any bar to a Muhammadan being returned by Hindu votes? I appeal to my Honourable friend over there, as he happens to come from Chittagong. Does he not remember that, in preference to Mr. J. M. Sen Gupta's father, Mr. Serajul-Islam was elected to the Bengal Council when there was no communal representation in the Councils? It was from the year 1909 that the Britishers, who want to perpetuate our slavery, introduced this communalism, and thereby divided the nation for loaves and fishes.

Mr. Muhammad Yamin Khan: On a point of order, Sir. May I ask the Honourable Member if he is opposing the right to be given to the Sikhs?

Mr. President: The Honourable Mover's motion is with reference to the question of Sikh representation.

Mr. Amar Nath Dutt: I say all these things because it is attempted to give a communal colour to the whole question. If they want Sikh representation, Hindu representation or any other representation on the ground of religion, may I not carry it further and ask for representation of labourers, of sweepers, scavengers, carters and the like? I want to say that originally we were all Indians, but afterwards, whatever our original faith, some have renounced the faith of their fathers for other religions. But that does not entitle them to claim a separate representation. I may as well ask, have not the various other classes a grievance because there are none of their class in the Executive Council of the Government of India? (Laughter.) That is not the way in which the Government should proceed, far less a civilised Government should proceed. If the Government really desires well of India, if they want to broad base their rule on the peoples affections, they ought to do away with all communalism, and they ought to have only one test for public service, namely, the test of efficiency, and that ought to be the sole test. In that event the Honourable the Finance Member will not have to come to this House and say, "We have done so much and we shall give you more so that we shall get your help in the future". All these things I condemn in the strongest possible language.

Bhai Parmanand Devta Sarup: Sir, as a matter of principle, I am opposed to all sorts of communalism, whether in the Legislatures or in the public services. But, as I find from the speech of the Honourable the Finance Member that in the matter of public services, the Government have accepted the principle and are following it by trying their best to remove the grievances of the Muhammadan community, so far as the Customs Department is concerned—as the Government have accepted this principle, I see no objection in supporting the Demand of my friend Sirdar Harbans Singh, who is representing the Sikh community. The Sikhs have a very great importance in the Punjab as well as in the whole country.

All the same, Sir, I would just say what I said in the beginning, that the principle was wrong. If we accept the demand of the Sikhs for representation in the Customs and other Departments, we shall have to extend its application to other communities, the non-Brahmins in the South, the zamindars of the Punjab, the Jains of India and the labourers as well as the depressed classes. Ultimately, Sir, this doctrine of communal representation in the services would be reduced to its logical absurdity. Although I am opposed to the principle, since it has been accepted by the Government, I see no reason why the Sikh demand should be ignored in this case and so I have risen just to support it.

Mr. S. C. Shahani: I rise to give my whole-hearted support to the motion that has been brought forward by my friend Sardar Harbans Singh. There was a time when I was against Indianisation. I was for fraternization, a principle by which Cæsar pacified Gaul. I think my Honourable friend Mr. Yamin Khan remembers that when he proposed Indianisation in the year 1923 and His Excellency Lord Rawlinson got up to announce that 8 units were to be Indianised, I got up to inquire if in the case of a man like me with some education who goes in for military training and schooling and acquaints himself with all the important problems connected with military service, there would be any objection to his captaining a British regiment, and I was told that the British tommy would not consent to be captained by me. Then I said, "Well, if the Britisher is so exclusive, there would come a time when the Indian sepoy too very rationally would refuse to be captained by a Britisher". From that time I have favoured the principle of Indianisation, but in favouring the principle of Indianisation, I have favoured indiscrimination. I was a great deal interested to hear what Diwan Bahadur Mudaliar had to say today. To me it is always agreeable to hear him, and today it was very agreeable to me to see him flourish his simile of the Roman Coliseum, the gladiatorial shows and the Senators cheering the gladiators who went in there for fighting the beasts. He spoke vehemently in support of his proposition that reliance should not be placed on competitive examinations. I was very glad to hear from him that he would be prepared at all times to substantiate the observations that he makes. I would be very much interested to see how he substantiates the correctness of the principle of limited patronage. He talked of limited competition, and therefore also of limited patronage. I can understand the reasonableness of a limitation indicated in the two instances I am recounting being placed upon the principle of competition. When I was a student, I had a senior fellow student who was a great deal superior to myself. He attempted only one question in a certain question paper set at M.A. He naturally thought that he would on that account lose his first class. He went over to his examiner who happened to be the illustrious Dr. Wordsworth, and represented to him that all along he had secured first class and that it would be a pity if he did not get a first class at his last University examination, simply because he had devoted all his time to answering one question only. In spite of the rules of the University, he was assured by the examiner, Dr. Wordsworth, that if he had done very well in that question, he would not miss his first class; and he did not miss his first class. I also know of another student who did not know how to tackle his Mathematics, but he was exceptionally good in history and political economy. He rose to be the Principal of the Junagadh College, and worthily. I have always

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held that Indianisation should be secured on the principles of ability and character. If some four candidates offer themselves for an appointment, one Sikh, one Hindu, one Jain and one Muslim, qualifications and character being about the same, the appointment should go to one from a backward community. But it should be recognised that appointments should be made on the principles of ability and character. Any other principle would be altogether wrong. If Diwan Bahadur Mudaliar comes to be entrusted with a portfolio in the future national Government of India, it will be interesting to see how he successfully enforces his principle of limited patronage. If then he does enforce his principle of limited patronage, he would only vitiate the Department which he comes to preside over.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): I think there are many Honourable Members in this House who would like to hear a little less from day to day about communal representation in the services. It strikes me that this question is discussed on every conceivable occasion. I should have thought that one discussion in a year would have been one too many, but when it comes to discussing it nearly from day to day, during a Budget session, I appeal to Honourable Members whether it is really an exhibition of common sense. Sir, I believe that it is rightly contended, that certain communities are excluded from the services, not because they cannot produce men from amongst themselves, capable of holding posts in Government, but because they happen to belong to a certain community. Now, Sir, it is that vicious practice which prevents a man from getting a fair chance, because he happens to belong to a certain small community, that should in my humble opinion be strongly condemned. If it is that principle of fair play and that principle alone that we advocate, we do nothing wrong, but when it comes to every community coming before the Legislature and demanding that a certain proportion of their number should be represented in the services, I respectfully beg to contend that they put themselves out of court. If they would only contend that such of their numbers that are really fit for Government posts should get them, it would be a legitimate argument, but to come forward and say that they should be represented in the services according to their population, simply because so many millions of them happen to belong to a certain faith, is, I contend, illogical, and therefore if my Honourable friend, the Mover of this Resolution or any Muhammadan gentleman would prove that a man is excluded because he belongs to the Sikh or Muhammadan community, he has every justification for bringing that to the notice of all concerned. Therefore, Sir, I do hope that this is the last occasion on which we shall hear about communal representation on a basis of population. Let it be based on qualifications (Hear, hear), and I think it can with justice be contended that certain communities are likely to be excluded from the services notwithstanding their being able competently to hold Government positions. If that is the case, it will be a disgraceful thing in this country, in fact it will be a greater disgrace than it has been in the past. I was sorry to hear my friend, Mr. Amar Nath Dutt, take this occasion to blame the Government. If ever there was an occasion when Government deserved the least blame, it is on the question of communal representation in the services. Sir, it is the communities themselves who are responsible for making this question so difficult.

Mr. Amar Nath Dutt: I was blaming the Government because they were pandering to the worst instincts of communalism.

Sir Cowasji Jehangir: I am of course not a Member of the Government, but as a Member of this Assembly, I repudiate that charge. I have been a member of Government at one time, and I can honestly say that this charge against Government is as unjustified (Applause) as many of the charges against Government are justified. (Laughter.) Government, I believe in most provinces and, certainly, in the Centre, are not responsible for separate electorates and they were not responsible for separate electorates in the past. All Commissions condemned the principle of separate electorates, but they accepted them as the best method under the circumstances. Therefore, to make this an excuse for accusing Government is only taking another opportunity of condemning, after all, many honourable men who are only discharging their duties to the best of their ability. (Applause.) Sir, if, after all, they have thought it fit to favour a community here or there, they do so under great pressure, and because they sometimes feel that that community, although they can produce good men, have not had a chance of serving the Government; and if that is called a motive, then it is a laudable motive because they have championed a deserving cause, and Honourable Members on this side will be the last to condemn them for it. Now, Sir, I would only appeal to Honourable Members to let this be the last occasion in this Session for discussing this unsavoury subject. We are face to face with a great constitutional change. Are we to spend our time discussing what proportion of the loaves and fishes we are to share? If we are to do so, let us do so outside this House; and in this House at any rate let us devote our attention to such questions as will successfully lead us to the goal we all have in view. (Applause.)

Mr. C. S. Ranga Iyer: Sir, I must begin by saying one word in defence of my Honourable friend, Mr. Amar Nath Dutt. I think when the Honourable gentleman from Bombay waxed eloquent against my Honourable friend from Bengal, he was really begging the question. Sir, Mr. Amar Nath Dutt did not want to soak the services with communalism any more than the Honourable gentleman from Bombay; and if he levelled that charge against the Government, there was adequate justification for levelling that charge in the reply that the Honourable the Finance Member gave today when quoting the Muslim percentages in the Customs services. Sir, the position that we Nationalists have taken up time and again has been one of absolute opposition to communalism; and if the Honourable gentleman of the Independent Party was honest about the business, he should have stood up on the floor of the House and repudiated Diwan Bahadur Mudaliar, but he did not do so. Diwan Bahadur Mudaliar stood up and supported the Muslim pretensions in regard to communal representation; and now his colleague stands up and opposes the Sikh "pretensions" in regard to the same!

Let him understand the question first in regard to what the Sikhs have demanded and let him not assume anything more. Sir, the position of the Sikhs—and I have been following very carefully the representations of the Sikh community, the resolutions of the Sikh Leagues and all that in regard to communal representation,—has been one of great honesty, one of honourable attitude. They have been opponents for a long time of communal representation, whether in the Legislatures or in

[Mr. C. S. Ranga Iyer.]

the services; they have declared on important occasions and shown in action that they were against communalism. They always resisted the tide of communal passion sweeping over the land. Sikh history bears adequate testimony to that. But, Sir, "communalism" was accepted by the Government—and even the Honourable gentleman from Bombay cannot deny the fact that the Government did commit themselves to communalism—when the Minto-Morley reforms did introduce communal electorates, when the Montagu-Chelmsford reforms did advance on that. As my Honourable friend, Bhai Parmanand,—whom we welcome to this House as one who has had a great career of sacrifice—pointed out, let communal representation be carried to its logical absurdity. It is good therefore that the Sikhs should put in their claim also.

Sir, the Government have been playing with communal fire. Why did they introduce communalism in the services? Why did they introduce communalism in the Legislatures? Who submitted the Muslim memorandum to this House in connection with the Railway Budget? Was it not the Government which introduced communalism, may I ask my friend from Bombay, Sir, through you? Was it not committing this House to communalism? It is all very well to attack my friend, Mr. Amar Nath Dutt, who was quite competent to look after himself if only he had the chance to reply to the Honourable Member from Bombay. (Laughter.) It is quite easy to crack cheap jokes, while the Honourable gentleman from Bombay, if he was honest about it, should have completely repudiated as absurd the observations of Diwan Bahadur Mudaliar supporting communal representation in the Customs Department.

Lastly, Sir, the position of the Sikhs, like that of the Mussalmans, is one of happy clarity. They say, "We do not want communal representation, but if the Mussalmans want it, we also want it." That is their position. "If you withdraw it from the Mussalmans, withdraw it from us also". That is their policy. Sir, the Sikhs have the same proportion to population in the Punjab as the Mussalmans have in the United Provinces. Well, if the Mussalmans are entitled to weightage in the United Provinces, the Sikhs are equally entitled to weightage in the Punjab: and if the British Government will not do justice to the Sikh claims and are prepared to play the Muslim game, take it from me, Sir, the Sikhs and Hindus will resist that policy with the force of an avalanche and will put forward their own claims. As for the Nationalists, they will oppose any absurd playing with communalism, whether in the services or in the Legislatures.

Khan Bahadur H. M. Wilayatullah (Central Provinces: Muhammadan): Sir, I did not like to speak particularly on a communal question, but once the question of Sikh representation was moved in this House which was a perfectly reasonable proposition, a great deal of the talk has unnecessarily taken place about the Muslim representation. Sir, I do not understand why, whenever there is any talk or mention about Muslim representation in the services, it is so much opposed, and why Mr. Ranga Iyer gets up every time to make thundering speeches in the House with all the flourishes and emphasis he can command. There is only one question, Sir, and it is this. There is a slight majority of the Muslims in the Punjab, but is it true democracy that if the Muslims are in a majority in

any province, they should always be reduced to a minority? That is the whole position. In the Punjab and in Bengal there are more Muslims than non-Muslims. But unfortunately whenever anything is said about the Muslim representation in the services or their representation in the Legislatures, it has been very much opposed by Mr. Ranga Iyer and some other Members in this House. Sir, this is the first time that I have come to this House and I am sorry to hear all this unpleasant talk about the various communities. It does not add credit to the Members of this House that they come here to indulge in making these violent speeches particularly about the Muslim community. This produces unnecessary bitterness and also creates many difficulties. Whenever Government try to be fair and to do justice, they are accused of playing the game of divide and rule. This is not fair to the Government. I have been in Government Service myself and I know the ins and outs of Government service, and I do not think this charge which is levelled against the Government is at all true. Some Members always indulge in these remarks when the Mussalmans ask for representation in the services. I can assure my Honourable friends that we never asked that inefficient Mussalmans should be appointed. All that we ask for is that we should not be excluded simply because we are Mussalmans even when we are fully qualified and efficient. With these few words I close my speech.

Mr. President: I should now call upon the Honourable Member in charge to reply.

The Honourable Sir George Schuster: Sir, I think it is hardly for me to compete with the display of eloquence which we have just had upon this subject. I should like to repeat the remark which I made in the debate on a similar question this morning. It is very easy to wax eloquent on principles on both sides of this question, but whatever we do, we cannot get away from it, that it is a difficult and complicated practical issue which has got to be dealt with by any Government which is responsible for running the administrative services of this country. I sympathise very greatly with the Honourable Member from Bombay in his appeal that this subject should not be discussed further on the floor of this House. It is perhaps not for me as a Government Member to express that view. But I am sure all Honourable Members will recognise, that when this subject does come up either in debate or in the constant flow of questions which are asked upon it, it does put us in an embarrassing position. If we seek to show sympathy to any minority community which happens not to be getting or not to have got hitherto a proportionate representation in any service, we are accused of being unduly influenced for political reasons and of partisanship. On the other hand, if we refuse to show that sympathy, then, I think, we are equally in danger of a charge of neglecting the fair interests of all classes of the country. My Honourable friend from Bombay spoke with a certain amount of feeling on this subject because he himself, as a Member of Government, had experienced the practical difficulties, and I am sure that any Member who comes to occupy one of these places will, when the time comes, feel a similar difficulty, for whatever happens in the future I cannot get away from the conviction that this will, and is bound to, remain a difficult practical question. It is no more than that. It need not be a question of contentious principle, but it is a difficult practical question which will require constant watching.

[Sir George Schuster.]

Now, Sir, it has been said that the Government have themselves admitted the principle of communalism. The Government policy on this subject is very well known. The statement has been made repeatedly on the floor of this House as to what the Government have laid down as their guiding principle in this matter. It is simply this that, in order to correct inequalities of representation, one-third of all the vacancies for new appointments will be reserved for minority communities. And I venture to say that, however much thought anyone in the future may give to this question, they will find it very difficult to devise a practical means for giving effect to the principles of justice which even my Honourable friend from Bombay, who deprecated discussions of this subject, recognised. They will find it very difficult to give effect to the principles of that measure of justice in a better way than is given in the principle which the Government have adopted. We have been ready to examine the working of the principle now that it has been for about five years in operation and a great deal of work has been done in the course of the last year in checking up how it has worked. The results of that examination are not yet fully available; but until we have these results, we, on this side, feel that we do not know of a better principle on which to work than that which has been adopted.

Mian Muhammad Shah Nawaz (West Central Punjab: Muhammadan): Has not the Round Table Conference accepted that principle? Has not His Majesty's Government accepted the principle that the minority communities should have a fair and adequate representation in the services? I thought that was a settled matter.

The Honourable Sir George Schuster: I am not in a position to give any full explanatory answer to my Honourable friend's question, and I should be very unwilling to do so or to use any words in this House which might commit His Majesty's Government one way or the other on the subject. I am content to deal with it as a practical issue as it lies now before us, who are responsible for the administration of the country today. My point is that at present we cannot see any better way of giving effect to what we recognise as a principle of justice than the rule which has been adopted. In dealing with my Honourable friend Mr. Anwar-ul-Azim's motion this morning, I gave some figures as regards Muslim representation in the Customs Department, and I hope he was at least satisfied that we are giving careful attention to that question and that we are using the rule which we have set ourselves in a manner to adjust what seem to be unreasonable inequalities.

As regards the motion of my Honourable friend, the Mover of this particular cut, I must admit at once that if you look at the figures of Sikh representation in the Customs Department, they are extremely unsatisfactory from his point of view. The most that I can say is that there are a few more appointments now than there were in 1924, but the representation is very small. I would ask this House to examine this particular case in order to see how these results come about. All appointments except those for the Imperial Customs Service are recruited locally for local service and it so happens that there is no part of the Customs Department in the Punjab where the Sikh community chiefly lives. Therefore, so far as the local appointments are concerned, there is

not really an opportunity to make Sikh appointments at present. As to the Imperial Customs service, we recruit in India through an examination which is carried out jointly with the Accounts and Audit Service and conducted by the Public Services Commission, and of course the actual appointments which are made as a result of that examination do depend on the examination results. It seems that the results hitherto have been such as not to discover any Sikhs for entry into the service in the higher grades. That, Sir, is the position at present. These are the facts. If my Honourable friend, representing his community, can come to me and tell me that there are any cases where our policy has operated unfairly in the sense that just because a Sikh was a member of that particular community, he was unable to get an appointment which he would have got if he had been a member of another community, I shall have the greatest possible pleasure in investigating it. But I venture to state that he will not be able to produce any such case, and, that being so, we are not really responsible for the results which at present prevail. As I said this morning in dealing with the Mover of the other cut, we are anxious to go into any real case of grievance. We are always willing to study this matter, and I look upon it as a particular responsibility of my own to watch the operation of the Government of India policy in connection with this question. I can say no more at present. I can only promise my Honourable friend that if he has any specific case to bring forward or any specific suggestions to make, I shall listen to them with the greatest interest and give them my urgent and earnest attention.

Sirdar Harbans Singh Brar: Sir, having listened to the speech of the Honourable Sir George Schuster, I am drawn by the remarks that Sikhs have not been successful in the examinations for the superior services. But I may draw his attention to the fact that in all services, including the most coveted service of the I.C.S., one-third of the appointments are reserved for nomination to equalise communal representation. If they are not successful in those examinations, and if they had obtained fairly high marks, then from those one-third of the appointments reserved for nomination, at least the Sikhs deserve some share. This word, "promise" has often been used by Government in regard to the Sikhs, and we remember that in the despatch on Constitutional Reforms by the Government of India in the Chapter dealing with communal representation, the Sikhs who form three millions of the population were only recommended two per cent. in the future Central Legislature, while the Europeans, who form less than one million, were recommended ten per cent. in the future Central Legislature of India, though the vested interests of the Sikhs in India were just as important as those of the Europeans. In the Punjab, the Sikhs pay about 40 per cent. of land revenue and water rates. They gave one-eighth of the whole of India's recruiting strength during the war and one-fifth of the whole of the Punjab. Bearing all these facts in mind and being an important minority community, in the proportion reserved for nomination, at least they claim a share of this, and this should have been given. None of them has been given. The position of the Sikhs has from the very beginning been quite clear. They never asked, even from 1908, for communal representation. They always stood for equal chance with everybody. But if other minority communities are to be protected, the Sikhs claim due protection for their interests; and I want to make this thing quite clear, that the Sikhs do not ask for any communal representation even at present.

[Sirdar Harbans Singh Brar.]

The cry originated from other minority communities, especially the important minority community of Mussalmans, and as due communal representation to Muslims in the services has been promised by the Honourable Sir George Schuster even this morning, the Sikhs do claim it. When the time comes for withdrawing it from other communities, when all communities are put on an equal footing to fight their own cause and to go into the open field, the Sikhs would also gladly ask for withdrawal of their special representation.

Mr. President: The question is:

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

(After the question had been put and Mr. President had declared that the "Noes" have it.)

Sirdar Harbans Singh Brar: I beg leave to withdraw the motion.

Mr. President: It appears to me that the request is rather late; but I will allow it.

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

Duty on Sugar.

Kumar Gopika Romon Roy (Surma Valley *cum* Shillong: Non-Muham-madan): Sir, I rise to move:

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

Sir, my object in moving this cut is to draw the attention of the House to the latest invasion by the Honourable the Chancellor of the Indian Exchequer of every hearth and home in India. Sir, it may seem rather harsh to use the word "invasion".

The Honourable Sir George Rainy: Which cut is the Honourable Member moving?

Mr. President: I understand he is moving cut No. 22, "Duty on Sugar."

The Honourable Sir George Rainy: May I point out, Sir, that the House has already voted on the subject of sugar?

Mr. C. S. Ranga Iyer: Not the duty on sugar?

Kumar Gopika Romon Roy: I want to oppose the duty on sugar.

Mr. President: I heard the Honourable Member say that he wishes to oppose the duty on sugar.

Kumar Gopika Romon Roy: Yes, Sir.

Mr. President: Would it not be better to do so when the Finance Bill is under consideration?

Kumar Gopika Romon Roy: I shall do it now, Sir.

Mr. President: The Honourable Member is not out of order. He can go on.

Kumar Gopika Romon Roy: Sir, it may seem rather harsh to use the word "invasion", but if you bear in mind the Honourable the Finance Member's explanation on this "special case" of sugar as he puts it, you will find that he proposes to extend the tentacles of taxation on the poor man's food. Sir, the Honourable the Finance Member has, in unequivocal language, referred to the Government's plans for protection of sugar which he said that they would have to take "a decision" upon at an early date. He was fair enough to suggest that, that decision would be taken only after consulting the Legislative Assembly, but he was also frank enough to blurt out Government's anxiety in the matter. "My Budget proposals", said the Honourable the Finance Member, "must be regarded purely as revenue measures which are however provisional in the sense that they may shortly have to take on a protective aspect". It is the Honourable the Finance Member who does not want a straight vote on protection today.

He is modest enough to ask for a vote for "revenue purposes", but he cannot forget the Simla Session, when sugar will be permanently protected. He has taken the trouble to tell us that the position of sugar is special, and just when his Budget proposals were on the point of completion, the recommendations of the Tariff Board for the protection of sugar had been received. Sir, I do not want to cast any aspersion on the Tariff Board. I am also a believer in tariffs, but not a blind believer. I do not believe in indiscriminate protection. I would rather follow the wiser policy of "discriminative protection", which I believe is also the Government's policy. So we were told by the predecessor of the Honourable the Finance Member, I refer to Sir Basil Blackett—the brilliant predecessor of his equally brilliant successor. But, Sir, we want the brilliance to scintillate a little less on sugar and a little more on foreign cloth. I would rather have a big tariff wall against foreign cloth, though the Honourable the Chancellor of the Exchequer may have a soft corner for Lancashire and Manchester, and cares not a whit for Japan. Sir, I do not pretend to be a financial expert, not even a great authority on protection and free trade, but, Sir, I look upon free trade and protection from the standpoint of an ordinary man of common sense. It is common sense after all which counts in these matters. Often enough do not experts bungle? Fiscal authorities and Tariff Board-wallas have sometimes an unhappy knack of becoming muddlers and meddlers. Why should they muddle where the poor man's food is concerned? Do we want a food tax in the country, the poorest country in the world? Next to the salt tax, which is an odious form of taxation, is the sugar tax. The lowliest of the low and the poorest of the poor want sugar to eat. From the cradle to the grave sugar is the principal article of food. By protecting sugar, by threatening a permanent protection of sugar, Government are contemplating an intolerable form of food tax. If they were fair to the people, they could not have precipitated this policy. They would not have rushed in to tax the food of the poorest of the country. Sir, I was almost going to give the House a few suitable quotations from the great Irish statesman, Edmund Burke, but I would leave it to our great Honourable Chancellor of the Exchequer to read his useful book "Thoughts on the Present Discontent". If only he knew what effects the policy of taxing sugar will have on the people, he would rather have abstained from giving us what looks like a warning of a permanent tax on imported sugar. Sir, this tax

[Kumar Gopika Romon Roy.]

will mean interfering with the free competition of sugar, both indigenous and foreign in the market. Unless there is competition, unless there is free trade where an article of food is concerned, the capitalist will be inclined to make more profit and the poor will have to pay more. When a poor man in Assam goes to buy sugar in the bazar and when he is told he has to pay more for what he used to get for a cheaper price before, do the Government realise or are they capable of imagining what effect it will have on his mind? Can they imagine that it is a real burden for a man who labours from sunrise to sunset for four to six annas a day? The miserable food of a miserable Indian labourer is being taxed. The labourers of the Surma Valley will have to take their tea without sugar and that was actually my war-time experience when the price of sugar had gone up higher. Sir, in the Surma Valley and Assam Valley the labourers, especially tea garden labourers, quench their thirst and appease their hunger by one "ghati-ful" of tea and that is in many cases their principal diet of the day. Can the Honourable the Chancellor of the Indian Exchequer imagine the dreadful plight of these wretches?

There remains another party who will make a booty out of this taxation. The unscrupulous dealer, i.e., the *modi* who sells sugar in the village market. They will raise the price of sugar by leaps and bounds on the plea of taxation. This is not a mere assumption. I hope many of my friends in the House will bear me out if I cite the example of the prices that were realised by the various dealers during the last war. Now these dealers will realise high prices from the poorest wretches of the country. If any such food taxation be at all necessary, then simultaneously there should also be legislation passed by this Assembly prohibiting the unusual increase in the price of taxed food stuff, and an universal rate of selling must also be fixed; the dealers also must be compelled to sell at the price fixed by the Government, and every fluctuation must be communicated to the interior corner of the farthest villages by the beat of drums. Without any such protection, it will not be safe to tax the food, and it will be a great burden on the poorer classes. Without proper safeguards, food taxation is a dangerous policy.

Sir, there are other ways of finding money for revenue purposes. As I have already said, foreign cloth could have been heavily taxed, and this form of taxation would have also been helpful to the indigenous manufacturer, or he could have cut down the military expenditure and thus anticipated what a self-governing India would most certainly do, or there could have been an all round retrenchment from the top of the high-salaried people of all the Departments, both civil and military, Imperial and Provincial. Did not the British Prime Minister and the Socialist Honourable the Chancellor of the Exchequer say that they were willing to forego 10 per cent. of their salaries? Why should there not have been a similar gesture from the Olympian heights of Simla and Shillong? Before taxing the poor man's food, the Honourable the Finance Member should have devised ways and means of improving the financial condition of the poor masses of this country. Then the rate-payers will have nothing to grumble about because there is a proverb "*Petey Kheley Pithey Soi*", i.e., "Load the animal after feeding it properly". But in the present case the maxim is inverted, you are taxing the food and adding to the load.

Sir, with these few words, I beg to move my motion.

The Honourable Sir George Schuster: Sir, I am sure that the House will not wish to hear me at very great length on this subject.

4 P.M. It is one of those cases where there are certain national interests on one side counterbalanced by certain interests on the other. I think I am right in assuming that the general feeling of this House is in favour, at the present moment at any rate, of doing what can be done to encourage the agricultural interests of India and to give a better economic position to the agricultural producer. I hope therefore that, although the proposed increase in the sugar duty is to be imposed primarily for revenue purposes, it will have the effect of encouraging that policy which I believe the country as a whole supports. I think that is all I need say at the present moment on this particular motion, although I have every sympathy with what the Honourable Member has said as regards the interests of the poorest classes in this country.

Mr. Gopika Romon Roy: Sir, after what I have heard, I beg leave to withdraw my motion.

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

Duty on Kerosene, Petrol Btel Nuts.

Kumar Gopika Romon Roy: Sir, I beg to move:

"That the Demand under the head 'Customs', be reduced by Rs. 100."

Sir, the Honourable the Finance Member stated in paragraph 63 of his speech that he proposed to levy surcharges upon kerosene and motor spirit. Both customs and excise duty on kerosene are to be raised by 9 pies per gallon. 9 pies may perhaps be an insignificant figure to the Honourable the Finance Member, but it is the poor people who are going to feel the pinch. An addition of one pie would be to them what one pound would be to the Honourable the Finance Member. He cannot deny that when the poor man goes to a shop to buy kerosene and he is told that he has to pay a pice extra, he will feel that the Government have been very unkind to him. Sir, the poor people buy kerosene oil in very small quantity, say for one pice a day. Henceforward they will have to pay two pice. Thus a heavy inroad is made into their slender finances. Surely, this is not the way to ease a situation which from the economic point of view is bad enough in all conscience. The Finance Member said, "I would ask the public to appreciate our special difficulties at the present juncture". If I may say so, it is for the Honourable the Finance Member to appreciate these special difficulties of the public, and especially of the masses. Never in any period of Indian history were the masses so poor as today. They do not know what a full meal is. From morn till noon and noon till dusk they have to labour like beasts of burden. The setting sun sees them back to a cheerless home. The rising sun calls them to tearful toil, and the poorer the man the larger his family. Poverty and procreation seem to go together. With a low standard of life with innumerable idlers dependant on a single bread-winner of the family, the family itself going deeper and deeper into the mire of poverty. Terrible is the hardship that the kerosene duty inflicts on the millions of poor people in this helpless country of ours. Does the Honourable the Finance Member know that this kerosene duty practically leaves the rich town-dwellers in big cities untouched? I see him shaking his head. He seems

[Kumar Gopika Romon Roy.]

to disapprove my remark. Go to Bombay, go to Calcutta, go even to Shillong if you, will, leave alone this whimsical Imperial City of ours, I mean New Delhi, you find kerosene lamps have yielded place to electric lights. But go to the villages of Assam, the coolie huts of Sylhet and the tea gardens of Surnia Valley and Assam Valley, and you will find that kerosene lights alone are used by one and all. It is the hut dwellers of India's villages that you are taxing today. India, Sir, is a continent of villages. It is the villagers on whom you are levying a tax. Is this the way in which the Honourable the Finance Member proposes to run the business? Is this the legacy that he proposes to hand over to us? Is this the sound condition of which he was speaking when he opened the Budget? There was no "hidden weakness" he said. Sir, this kerosene duty is the weakest spot in the Honourable the Finance Member's armour. I do not want to say one single word by way of disparaging his feeling for the poor. I will be the last man to reflect on him and his humane nature. I fully realise that he cannot touch the Military expenditure because he is the victim of a policy which has caused a grave wrong to a great people, which has ruined their finances, which has even necessitated taxing the poor man's kerosene oil. All this the poor people cannot understand. They cannot appreciate the difficulties of the Finance Member. They cannot know that he is confronted with an economic crisis and a financial calamity, the like of which did not face his more lucky predecessor. They can not know that he has dived his hands into the pockets of the rich, who are growling, and I join in the growl, because I too am affected. But much more grave is the taxing of the poor man's kerosene oil. They will only feel that here is a Government which is straining the quality of mercy. It is now too late for the Finance Member to devise some other means and to leave out the poor man's kerosene oil.

And now, to petrol. The surcharge of two annas per gallon on motor spirit is hardly wise from a financial point of view. If you send up the price of petrol, then the Buswallas will put a higher price on the tickets of their poor passengers. Thus, the petrol duty affects the poor more than the rich. Those who have, may not grudge to pay a little extra for their motor petrol. But, when the owners of buses put up their price, the increased price for travelling falls upon the poor. Will the Honourable the Finance Member deny that this too affects the distressed and poverty stricken masses of our country? Sir, there is another aspect of this problem. Although these bus owners are not very rich people themselves, they are competing with the railways managed by the Government and the companies. I am afraid this increase of duty on petrol is calculated to affect motor bus competition adversely. I may tell you a story from Calcutta. Until lately the tram companies simply neglected the convenience of the travelling public there. They had no monthly tickets system. They had no cheap midday fare system, but when the bus competition became keen, the *Kumbhakarna* of the tramway company woke up from his sleep of ages. He thought the company would have to go into liquidation if he continued to ignore the public. The story runs that *Kumbhakarna* was a good sleeper, but sleepers are of no use in tramways. However, according to the Ramayana, if I give an epic touch, Sir, without being jocular, for I know many may not like my jokes though they conceal in their breast an ocean of meaning. Well, Sir, when *Kumbhakarna* wakes up, he makes up for his sleep. So also the tramway company in

Calcutta. They reduced their fares. Well, Sir, to cut a long story short, increased duty on petrol is calculated to kill competition, the only modern stimulus for economic betterment. There is also a danger when the competition may be killed, of unemployment growing.

Lastly, Sir, betel nuts may be left out of consideration because they constitute a mildly controversial subject. The Finance Member's action in regard to betel nuts, I feel, has a soul of goodness in the sense that it may encourage the indigenous industry. In the Explanatory Memorandum by the Financial Secretary on the Budget of the Governor General in Council, as laid before this House, I find in Appendix III on page 41 under statements showing the details of the Budget proposals relating to the Customs and Excise duties and their financial effect, that the present rate of duty on spices is 15 per cent. *ad valorem*, and the proposed rate of duty is doubled, being 30 per cent. *ad valorem*. The *ad valorem* duty is imposed also on betel nuts. The Honourable the Finance Member contemplates, I was almost going to say dreams, the additional yield because the increased duties on spices and betel nuts will be 31 lakhs of rupees, spices 8 lakhs, betel nuts 23 lakhs. I may tell the Honourable the Finance Member frankly that he will be disillusioned in regard to his calculations, because less spices will flow into this country from outside when the duty is high, when the indigenous competition is keen. The same may be said of imported betel nuts also. Incidentally the price of spices and betel nuts will also increase, and these two will affect the poor. I need only say that this is not a poor man's Budget and in the hands of the unscrupulous middlemen, it is the poor who will come to grief. I do not, Sir, want to take a destructive view, but I am afraid that the Honourable the Finance Member has excuses for not accepting the only constructive suggestions possible under the circumstances, *viz.*, the reduction of the Military expenditure and the over-hauling of the top heavy administration. These, we will be told, are matters of policy and we may hear the same story next year also, for the policy will continue to be the same. I fear the same story may be told even ten years hence, for there seems to be no drastic change of policy in sight in regard to Military expenditure, which our wise men want to treat as a reserved subject. With these few words I move my motion.

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

Mr. Gopika Romon Roy: With these few words I move my motion.

Mr. N. R. Gunjal* (Bombay Central Division: Non-Muhammadan Rural): Sir, I support cut No. 24 regarding Customs moved by Kumar Gopika Romon Roy.

Pandit S. N. Sen: Sir, with regard to the duty on spices, I should like to add only one sentence. The duty on this article has been raised from 15 per cent. to 30 per cent. I want to bring it to the notice of this House that spices are very largely used in preparing indigenous medicines both Ayurvedic and Unani. In view of this fact, I think that the doubling of the duty is hardly justifiable.

*The Honourable Member spoke in Marathi.

The Honourable Sir George Schuster: Sir, I think the greater part of this discussion would really be more appropriate when we are discussing the Finance Bill, but as there may not be opportunities to discuss every point in detail then, there are one or two things which I would like to say in answer to the speech of the Honourable the Mover. His chief attack is, I think, on the duty which we propose to add to kerosene, and the chief ground of his attack is that this will fall particularly hardly on the poorer people of this country. I fully recognise that, and that that is the one item in the Budget which may be said to affect directly one of the necessities of life for the poorer people. But, I venture to put to this House that the actual burden is not really going to be unduly heavy. Since we altered the duties on kerosene last year, the prices, according to my information, have fallen by about six pies per gallon, and therefore the addition of nine pies now will bring the price back, if the full amount is added as an increase to the price, to about three pies above what it was before the Budget of last year. That is one point to remember.

Then I would like to ask Honourable Members to consider what in fact this really does mean to the poorest classes. I had occasion to mention when I was speaking on the Budget in the other House, that I had been very carefully into this question to ascertain what it really does mean to the poorest classes. I based my information on a very careful investigation of the Budgets of the poorer agricultural classes, carried out in Bengal by Mr. Jack some years ago. His conclusions were that a family of five of a cultivator in comparatively favourable circumstances consumed about 3·7 gallons of kerosene per annum, and that the poorest cultivators consumed about half of that amount, about 1·8 gallons per annum. Well, if you take the higher consumption by the family of a man living in comparative comfort, the addition, even if we take the full addition of 9 pies per gallon, is only about three annas per annum for the whole family, and for the poorer classes it would only be one and a half annas per annum. If you take only the net increase of three pies which we expect, the figures are reduced to one anna and half an anna, respectively, per annum, I do not think that it can be suggested by anybody that those represent intolerable burdens. Of course, I may be told that the retail prices may increase out of proportion to the price per gallon to which I have referred, but that, I venture to suggest, is something over which the Government of India cannot exercise control, and if Honourable Members who move about their constituencies would check retail prices of articles of that kind, they would be able to perform a more direct and valuable service to the poorest members of the country than we sitting here in the Government can do.

I do not intend to take the time of the House, Sir, in dealing with the remarks about betel nuts and spices. We thought on an examination of the whole position that there was a strong case as part of the general increase of duties which we are proposing for including betel nuts for some increase, and I am glad that even my friend the Mover of this cut thinks that there will be some counterbalancing advantage in this particular duty.

I think, Sir, that the rest of the discussion may well be carried on in connection with the Finance Bill, and I venture to put to the House that the Honourable Member's arguments against these particular duties do not justify a cut expressing a vote of no confidence in the Customs administration.

Kumar Gopika Romon Roy: Sir, I must thank the Honourable the Finance Member for the very sympathetic reply he has given, and as the matter is going to be taken up by the Independent Party, I do not propose to press my motion to a division.

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

Not taking Steps to raise the Price of Agricultural Produce.

Mr. Amar Nath Dutt: Sir, I beg to move:

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

I do not wish at this late hour of the day to embarrass the Honourable the Finance Member, whose sympathy for the poor of this country is well known, and whose sympathy is further evidenced in the following words in his Budget speech:

"The fall in prices has affected most severely those countries whose economic activity is mainly directed to the production of primary agricultural products. This is brought out most clearly from the index numbers of wholesale prices in various countries, for, in India the fall in the Calcutta wholesale prices index corresponds very closely with the falls in countries like Australia and Japan, and is heavier than the fall in the wholesale figures for the United States or the United Kingdom. The same point is seen by comparing falls in the prices of articles which India exports with the fall in the prices of those articles which she imports. The fall in the former between September 1929 and December 1930 was 36 per cent. and the fall in the latter 16 per cent. India may therefore perhaps be said to be going through the worst time now. She has felt the severity of the fall in the case of what she has to sell, but has not obtained a corresponding advantage of the fall in prices of what she has to buy."

Sir, no one can doubt the sincerity of the Honourable the Finance Member in his attempt to deal with this grave crisis which has overwhelmed the whole world. But at the same time, that it has affected India very severely will be seen from the fact that no less than 85 per cent. of the people of this country depend on agriculture.

Sir, the condition of the ryots in the province of Bengal has been such that even by selling seed grains, ploughs and cattle, and by heavily mortgaging the little occupancy holdings that they possess, they cannot pay their rents. In one district alone no less than 150 *patni taluks* have been sold for default of payment of rent. What is the reason for this? It is the inability of the ryot to pay his rent, the inability of the *patnidar* to pay his dues to the zemindar, and the inability of the zemindar to pay his dues to the Government. Last year when the prices were falling slowly, I brought it to the notice of the Honourable the Finance Member, and he was kind enough to say that he would enquire into it. There is no doubt that he has bestowed his best consideration to this matter, and in spite of that he has not been able to suggest any means of giving relief to the agricultural population of this country. I would suggest that importation of food grains from abroad be stopped at once, and if that alone does not give us the relief, we want other means to be devised, and the Honourable the Finance Member is the best judge of what further steps should be taken in the matter. If necessary, he can even have the advice of experts or of a committee. Sir, I have no desire to embarrass the Honourable the Finance Member in moving this cut, but at the same time, I want to draw his attention to the fact that the condition of the agriculturists in Bengal is such that he should enquire into it and give them the relief that is needed. With these words, I move.

The Honourable Sir George Schuster: If I were to attempt any sort of full reply to this motion, I should have to make an extremely long speech on the economic condition of the country, the economic condition of the world, and the history of the various attempts which have been made in the past, particularly, in the recent twelve months, to control the prices of agricultural products. I think if my Honourable friend would study the result of those attempts, and would read the criticisms which are now being brought against Governments that have attempted to intervene and to control the prices of agricultural products, he might modify his views both as to what is the proper kind of action, and as to the responsibility and blame which rest upon this Government to-day. But it would be impossible for me to attempt to enter fully into that subject now. I would only tell my Honourable friend that it has had the constant attention of the Government throughout the year, and that, if drastic action has not been taken, it is not from any sort of neglect or any lack of interest in the subject, but because, on a consideration of all the facts, we came to the conclusion that we should do more harm than good by attempting to interfere. If ever my Honourable friend finds himself placed with any responsibility for Government, I think he will find one of the tragedies of his life in the limitation which rests upon human effort to control economic causes in great countries like this. But that does not mean that, where particular troubles exist, we should not pay attention to them or take such limited action as is possible. And if I might say one word in conclusion, I would refer to a speech which I myself made in Simla in the Autumn, where I drew the conclusion that the proper function of Government in these matters is to take steps to encourage proper marketing of commodities, but that if they try to interfere in the control of prices, they generally bring disaster upon themselves and aggravate the evils which they are trying to cure. With that very general statement, I am afraid I must oppose my Honourable friend's cut.

Mr. Amar Nath Dutt: After the sympathetic assurance of the Honourable the Finance Member, I beg leave to withdraw the motion.

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

Mr. President: The question is:

"That a reduced sum not exceeding Rs. 75,52,900 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, 1932, in respect of 'Customs'."

The motion was adopted.

Mr. President: I should like to know whether the House wishes to continue to sit.

Several Honourable Members: No. To-morrow.

Diwan Bahadur T. Rangachariar: I think we can sit a little longer to-day.

Mr. President: The Honourable Sir George Schuster.

DEMAND NO. 18—SALT.

The Honourable Sir George Schuster: I beg to move:

"That a sum not exceeding Rs. 80,46,000 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, 1932, in respect of 'Salt'."

Mr. N. R. Gunjal (Speaking in Mahrathi)*: Sir, I beg to move:

"That the Demand under the head 'Salt' be reduced by Rs. 80,46,000."

The Honourable Sir George Schuster: I oppose this motion.

Mr. President: The question is:

"That the Demand under the head 'Salt' be reduced by Rs. 80,46,000."

The motion was negatived.

Retrenchment.

Mr. Mohammed Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): I beg to move:

"That the Demand under the head 'Salt' be reduced by Rs. 2,01,150."

In moving this motion, I have not very much to say. I have brought this forward with a view to encourage the cottage industries of India. My only object is that cottage industries should be encouraged and the foreign articles should be discouraged. The Gandhi-Irwin agreement too has been arrived at to a certain extent about it. The question of salt is a matter for the masses. It is not the interests of the capitalists, but the interests of the masses that we have to look. The salt industry with other questions connected with it has been debated in this House several times before. I need not say much on this subject and I move my cut.

The Honourable Sir George Schuster: I am not quite sure that I have understood the real purport of the Honourable the Mover's motion. According to the motion paper, he wished to raise the question of retrenchment. If I understood him correctly, I think he dealt rather with the encouragement of indigenous production of salt. As the House knows, this is a subject which was considered by the Tariff Board and has also been considered by a committee of this Assembly whose Report will shortly be before the House, and I think the presentation of that Report will afford a more suitable opportunity for discussing the question of policy in this connection. Therefore, Sir, I content myself with opposing the cut.

Mr. Mohammed Azhar Ali: In view of the Finance Member's statement and his assurance, I withdraw my motion.

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

Loss of Interest arising from the Credit System.

Mr. L. V. Heathcote (Nominated Non-Official): I move:

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

It is unnecessary to take much of the time of the House in discussing this matter. I think I had better begin by saying what I understand the system now in force to be which should be withdrawn. It is that merchants taking salt from ships or bonded warehouses are allowed six months credit

*A translation of the speech will be found printed as an Appendix to these proceedings later.

[Mr. L. V. Heathcote.]

by the Government before it is necessary to pay the duty arising on what they take. The merchants deposit securities with the Government up to the value of which they are allowed credit. The duty on salt amounts in a year to approximately 7 crores and if the merchants take the fullest advantage of this credit system, as I believe they do, it means that the Government are permanently standing out of $3\frac{1}{2}$ crores. The interest on this sum amounts to 21 lakhs per annum. If the system were withdrawn, Government would be permanently better off by 21 lakhs per annum. In times like the present I believe that any reasonable retrenchment or benefit which the Government can get from an alteration of the administrative system would be advantageous. I am not sure when the system originally arose, but I believe it was introduced mainly to encourage small merchants, who might have difficulty in paying the duty, to deal in salt. Whatever the circumstances may have been in those times, with the general improvement that has taken place during the last several years, there should not be the same difficulty in obtaining a sufficient number of merchants to handle this commodity and to pay cash for the duty in the same way as they pay cash for the salt. A possible disadvantage, which might arise from altering the system, would be that there will be a greater tendency on the part of merchants to put their salt into bonded warehouses and not to take delivery direct from ships, as is done at present to a large extent in the Calcutta market. At present the Government already charge a rent for the use of those godowns. If the Government were enabled to receive 21 lakhs by way of interest per year, they could very well afford to build a larger number of godowns to provide the facility of extra godown space, if such were demanded as a result of the withdrawal of the credit system. There may be very good reasons why this system cannot be altered and my motion will give the Honourable the Finance Member an opportunity to explain.

The Honourable Sir George Schuster: Sir, I do not propose at this very late stage to enter into a complicated explanation on this point, and I would content myself with two simple statements. First, I think that the credit system has been in force since 1876, when it was introduced in Madras, and it is a system of long standing, and, secondly, the credit system does not really result in any loss of interest by the Government. It is a commercial transaction by which merchants are allowed to make their cash payments at a certain date. Sir, I went very carefully into the whole question and I decided to take no action for other reasons. I decided to take no action because if we suddenly insisted on cash payments, we should in fact produce this result that, in one year we should get 18 months' revenue instead of 12 months' revenue, and my Honourable friend will be able to appreciate how that would work out. Now that is an expedient which has been resorted to by Chancellors of the Exchequer in other countries to improve the revenue for a year, that is to say, to shorten the period of credit which is allowed for the payment of duty and thus to bring into one particular year more than 12 months' receipts for that year, but it is an expedient on which I myself would be very unwilling to rely primarily for balancing a Budget for I think that to do so would hardly be sound finance. But I would assure my Honourable friend, without going into any great detail, that we should not in fact effect the saving which he thinks would thus

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accrue to the Government. I should be pleased to explain the matter to him in detail outside the House, when I think I shall be able to convince him as to what are the facts of the case. While I am glad that the Honourable Member has drawn our attention to this point, I must nevertheless oppose this cut.

Mr. L. V. Heathcote: Sir, I should only like to say that I did not propose the cut in order that the Government should obtain an extra revenue of $3\frac{1}{2}$ crores. But in view of what the Honourable the Finance Member has stated, I would like to ask for leave to withdraw the motion.

Mr. President: Is it the pleasure of the House to allow Mr. Heathcote to withdraw his motion?

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

Pay of General Managers.

Mr. N. R. Gunjal (Speaking in Mahrathi): Sir, I beg to move:

"That the Demand under the head 'Salt-II-A-A. 2—Manufacture—Pay of Officers' be reduced by Rs. 27,000."

The Honourable Sir George Schuster: Sir, I quite agree with my Honourable friend that Members of Government who sit on these Benches ought to make themselves acquainted with all the languages which are used in this vast sub-continent. I have at least a sufficient acquaintance with the language, Sir, to be able to oppose my Honourable friend's cut with all the emphasis at my command. (Applause.)

(Mr. N. R. Gunjal replied in Mahrathi.)*

Mr. President: The Honourable Member wishes to withdraw his motion. The question is:

"That leave be given to Mr. Gunjal to withdraw his motion."

The motion was by leave of the Assembly, withdrawn.

Mr. President: The question is:

"That a sum not exceeding Rs. 80,46,000 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, 1932, in respect of 'Salt'."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Friday, the 13th March, 1931.

*A translation of these speeches will be found printed as an Appendix to these proceedings later.

LEGISLATIVE ASSEMBLY.

Friday, 13th March, 1931.

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

QUESTIONS AND ANSWERS.

INCOME-TAX REALISED FROM COAL COMPANIES.

920. *Kumar Gupteshwar Prasad Singh: Will Government be pleased to state:

(a) the amount of income-tax realised from the coal companies under the management of the following firms during the last five years:

(i) Messrs. Andrew Yule & Co.

(ii) Messrs. F. W. Heilgers & Co.

(iii) Messrs. Anderson Wright & Co.

(iv) Messrs. H. V. Low & Co.

(v) Messrs. Balmer Larri & Co.

(vi) Messrs. Shaw Wallace & Co.

(vii) Messrs. Octavius Steel & Co.; and

(b) to what province the provincial share of this income-tax has been credited?

The Honourable Sir George Schuster: With your permission, Sir, I will answer this and No. 921 together.

Part (a) of both questions. I am precluded by section 54 of the Indian Income-tax Act from giving the Honourable Member the information for which he asks.

Part (b) of both questions. The information will be obtained and communicated to the Honourable Member.

INCOME-TAX REALISED FROM THE TATA IRON AND STEEL COMPANY.

+921. Kumar Gupteshwar Prasad Singh: Will Government be pleased to state:

(a) the amount of income-tax realised from the Tata Iron and Steel Company for the last five years; and

(b) to what province the provincial share of this income-tax has been credited?

+For answer to this question, see answer to question No. 920.

PROTECTION FOR THE TANNING INDUSTRY.

922. *Mr. Jamal Muhammad Saib: (a) Has the attention of the Government of India been drawn to certain recent changes in the customs tariff of the United States of America and their effect on the tanning industry of India?

(b) Do the Government of India propose to give protection to the tanning industry by referring the case of the industry to the Tariff Board?

(c) Will Government be pleased to state whether any policy has been laid down by the Railway Board regarding the fixation of railway rates for the carriage of indigenous raw materials to places of manufacturing centres and the carriage of indigenous manufactured articles to places of consumption or export?

The Honourable Sir George Rainy: (a) Yes.

(b) No.

(c) I would refer the Honourable Member to a Press communiqué issued in May, 1915, a copy of which and of the letter referred to therein, has been placed in the Library. The attention of Railway Administrations was drawn to these instructions in August, 1920, when they were asked to render such assistance to local industries as might be possible.

Communiqué.

The Railway Board have addressed the subjoined letter to Railway Administrations on a subject which is of considerable commercial importance, especially at the present time. Applicants for particular concessions of the nature alluded to in the letter frequently are unaware of the complexity of the issues raised by a proposed alteration of Railway rates. Such a change in one rate may frequently involve a variety of considerations as regards its effect on a number of others. Questions of competition with similar traffic elsewhere, undue preference, etc., to name merely one or two of the issues arising from an apparently simple proposal, are often far-reaching and important and call for careful examination before a decision can be arrived at.

These considerations can best be taken into account by the administrative officers of the Railway or Railways directly concerned and it is to them that interested persons should address themselves.

To enable Railway officers to form a fair opinion of the prospects held out by a proposal of the kind, it is essential that they should be given full information as to the nature of the consignments, the probable amount and destination of traffic likely to be offered, etc. If full particulars be supplied, the Railway Board are confident that every encouragement will be secured to the special industries to which the letter refers.

Letter No. 705-T., dated 18th May, 1915, from the Government of India, Railway Department (Railway Board).

To

The Agents, Assam-Bengal, Barsi Light, Bengal and North-Western, Bengal-Nagpur, Bombay, Baroda and Central India, Burma, East Indian, Eastern Bengal, Great Indian Peninsula, Guzerat, Madras and Southern Mahratta, North Western, Oudh and Rohilkhand, Rohilkund and Kumaon and South Indian Railways.

I am directed to address you on the subject of the assistance to be rendered by railways in the development of industries in this country. The question has been raised specifically of late by applications which the Railway Board have received for the reduction of rates. These applications had reference as a rule to the special circumstances of the time, but the matter has all a general aspect.

2. The administrations of railways have it in their power to do much for the encouragement of new industries by the quotation of favourable rates for the carriage of the raw material required in manufacture and of the finished product. The permanent establishment of industries in adjacent areas cannot fail directly or indirectly to increase the business of a railway, and to secure these advantages it may even be found remunerative to incur a temporary loss during the initial stages of development. The Railway Board are confident that these considerations already influence the policy of *Your Company* but they think it desirable to bring them prominently to your *State Railways* attention at a time like the present when the exceptional conditions created by the war offer an unique opportunity for the revival of certain existing local industries which have hitherto languished owing to foreign competition, and for the possible creation of others. Many articles hitherto imported have been excluded from the Indian market, while the cost of others has been largely increased. As you are aware the Government of India are making a special endeavour to take advantage of this opportunity, and the Railway Board's object in inviting your attention to the subject is to secure your co-operation in doing all that is possible for the encouragement of indigenous industry.

3. The Railway Board are of opinion that cases will occur in which the quotation of special rates at the present time will lead to the establishment of industries with much less initial difficulty than would be met with in normal circumstances, and that there is an ample prospect that these industries will lead to a permanent increase of the productivity of the areas in which they have been begun to the mutual advantage of railways and their clientele.

APPOINTMENT OF MUHAMMADANS TO THE POSTS AND TELEGRAPHS DEPARTMENT.

923. *Lieut. Nawab Muhammad Ibrahim Ali Khan: (a) Referring to their answers given in reply to parts (a), (b) and (c) of starred question No. 416 asked by me in the Legislative Assembly on the 11th February, 1931, is it not a fact that only one Muhammadan is holding the selection grade in the Engineering Branch of the Posts and Telegraphs Department?

(b) If so, what steps do Government propose to take in order to give their due share to the Muhammadans in that branch of the Posts and Telegraphs Department?

(c) Is it not a fact that two Muhammadans passed the selection grade examination in 1929, and that they have not been promoted to the selection grade? If not, why not?

(d) Will Government be pleased to state the number of Hindus, Christians and others employed as clerks in the Engineering Branch of the Posts and Telegraphs Department as compared to 42 Muslims?

Mr. H. A. Sams: (a) Yes.

(b) The Honourable Member is referred to the reply given to part (d) of his starred question No. 416 alluded to by him.

(c) Yes, because the examination is a qualifying one for eventual promotion to the lowest selection grade according to seniority combined with fitness of the passed officials, on the occurrence of vacancies.

(d) Information asked for by the Honourable Member has been called for and will be furnished to him in due course.

PAY OF AN OFFICER ON SPECIAL DUTY IN THE INDIAN AUDIT AND ACCOUNTS SERVICE.

924. *Lieut. Nawab Muhammad Ibrahim Ali Khan: (a) What is the permanent pay of Mr. I. S. Puri in his permanent rank as an officer of the Indian Audit and Accounts Service?

(b) What pay is he getting now as officer on special duty for compiling the Railway Account Code, etc.?

(c) What is the total number of officers of the Indian Audit and Accounts Service who are senior to Mr. I. S. Puri but who are getting less pay than Mr. I. S. Puri?

(d) Will Government be pleased to state why officers senior to Mr. Puri but getting less pay are not appointed to do the work on which he is employed? Is it because of administrative convenience that Mr. Puri continues in this appointment?

(e) Do Government propose to consider the case of those officers who are senior to Mr. Puri? If so, what steps do Government propose to take in the matter?

Mr. A. A. L. Parsons: (a) Rs. 1,125. But before being lent for service in the Railway Accounts Department he was drawing Rs. 1,500 in a temporary post in the Audit Department.

(b) Rs. 1,560.

(c) to (e). Mr. Puri was selected because he was considered the most suitable officer available for the work. This, and not seniority, is the factor to be considered in filling such special temporary appointments.

PAY OF CERTAIN OFFICERS ON SPECIAL DUTY.

925. ***Lieut. Nawab Muhammad Ibrahim Ali Khan:** (a) Will Government be pleased to give all information similar to what has been asked for in parts (a) to (e) of the previous questions (regarding Mr. I. S. Puri) in the case of Mr. Ram Gopal who is writing a Railway Audit Code?

(b) Is it a fact that there are at present two more officers who are compiling codes in the Railway Board?

(c) Will Government please state the permanent pay and present pay of these two officers?

(d) Will Government please state why the two officers mentioned in part (b) are getting a much smaller percentage above their permanent pay as compared with Messrs. Puri and Ram Gopal for doing similar work?

Mr. A. A. L. Parsons: (a) Mr. Ram Gopal's permanent pay is Rs. 800 per mensem and his present pay is Rs. 1,200 per mensem.

(b) to (d). Yes. One officer draws Rs. 1,275 plus £30, and the other Rs. 1,300. Both are at present drawing special pay of Rs. 250 in addition. The pay to be attached to such temporary appointments is determined in each by the nature and responsibility of the duties and the pay already being drawn by the officers selected to fill them.

APPOINTMENT OF MUSLIM GUARDS IN THE ALLAHABAD DIVISION OF THE EAST INDIAN RAILWAY.

926. ***Lieut. Nawab Muhammad Ibrahim Ali Khan:** Will Government be pleased to state how many Muslims have been appointed as first grade guards in the Allahabad Division of the East Indian Railway during the last five years?

Mr. A. A. L. Parsons: With your permission, Sir, I will reply to questions Nos. 926, 927 and 928 together. I am obtaining the information for the Honourable Member from the Agent of the East Indian Railway.

APPOINTMENT OF A MUSLIM CONTROLLER IN THE ALLAHABAD DIVISION OF THE EAST INDIAN RAILWAY.

†927. ***Lieut. Nawab Muhammad Ibrahim Ali Khan:** Is it a fact that there is no Muslim Controller in the Allahabad Division of the East Indian Railway?

APPOINTMENT OF MUSLIM GUARDS IN THE ALLAHABAD DIVISION OF THE EAST INDIAN RAILWAY.

†928. ***Lieut. Nawab Muhammad Ibrahim Ali Khan:** Will Government be pleased to state how many relieving guards are there in the Allahabad Division of the East Indian Railway and how many of them are Muslims?

PAY OF TEACHERS IN THE EAST INDIAN RAILWAY HIGH SCHOOLS OF THE ALLAHABAD DIVISION.

929. ***Lieut. Nawab Muhammad Ibrahim Ali Khan:** Is it a fact that the provincial scale of pay has not been introduced in its entirety in the East Indian Railway High Schools of the Allahabad Division? If so, what are the reasons for not doing so?

Mr. A. A. L. Parsons: The pay of teachers in all the Indian High Schools of the East Indian Railway has been revised to give effect to the orders of Government that the rates of pay shall be the same as those given in the provinces concerned, subject to the condition that the new rates of pay would apply to each of the existing incumbents, on the condition that he possessed educational qualifications equivalent to those laid down by the Local Government for teachers on corresponding rates of pay.

PERCENTAGE OF MUSLIMS IN INSTITUTES ON THE EAST INDIAN RAILWAY.

930. ***Lieut. Nawab Muhammad Ibrahim Ali Khan:** What is the percentage of Muslims in the several Institutes of the East Indian Railway?

Mr. A. A. L. Parsons: Government have no information. Membership of Institutes provided for Indian staff on the East Indian Railway is voluntary.

UNSTARRED QUESTIONS AND ANSWERS.

APPOINTMENT OF SUPERINTENDENT OF THE PRIVATE SECRETARY TO THE VICEROY'S PRESS.

299. **Mr. S. C. Mitra:** (a) Is it a fact that a clerk of the Government of India Press, Simla, has been appointed as Superintendent of the Press of the Private Secretary to His Excellency the Viceroy? If so, will Government be pleased to state:

(i) what are the technical and educational qualifications of the said clerk and what experience has he got in the printing line;

†For answer to this question, see answer to question No. 926.

(ii) whether he can hold a composing stick and impose and print a forme with his own hand; and

(iii) if he is capable of giving technical instructions to the workmen?

(b) Is it a fact that several men possessing technical qualifications applied for the post? If so, what were the reasons for selecting a non-technical man to fill a technical appointment?

(c) Is it a fact that Messrs. Kanade and Rajagopalan two technical men with European qualifications holding ministerial appointments in the office of the Controller of Printing and Stationery are on the waiting list for technical appointments? If so, why were their claims overlooked?

Mr. J. A. Shillidy: (a) Yes; the post held by him in the Government of India Press, Simla, was the combined post of Head Clerk and Accountant.

(i) He was technically trained previous to joining the Simla Press and he had studied up to the Matriculation class at a High School.

(ii) and (iii). Yes.

(b) Yes. He was selected because he possessed technical knowledge combined with knowledge of Press accounts.

(c) Mr. Kanade is already holding a post on a higher scale of pay and did not apply for this appointment. Mr. R. Rajagopalachari was on leave out of India at the time of the appointment and was not an applicant.

EXPENDITURE INCURRED ON THE REORGANISATION OF STORES ACCOUNTS OF THE EAST INDIAN RAILWAY.

300. **Mr. S. C. Mitra:** (a) Will Government be pleased to state the expenditure incurred up to the end of February, 1931, on the additional staff sanctioned in the several departments of the Stores Accounts Reorganisation work on the East Indian Railway?

(b) Is it a fact that Messrs. Martin and Jones were engaged on clearing the arrears in that office in Stores Accounts in accordance with the orders of Mr. Scott, in pursuance of his own assurance (to place the work on a satisfactory basis) given to the Public Accounts Committee in August, 1929?

(c) Is it a fact that Mr. Mitra, Controller of Railway Accounts, removed Mr. Martin from Stores Accounts work in that office when the present Stores Accounts Reorganisation was inaugurated on the 1st August, 1930? If so, why?

(d) Is it a fact that the experiment of mechanisation of Stores Accounts on the East Indian Railway was suspended from the date such reorganisation was commenced and that Mr. Jones, officer on special duty for mechanisation and arrear clearing, was absorbed in the reorganisation staff?

(e) Is it a fact that Mr. Jones has been removed from the reorganisation work? If so, will Government be pleased to state the reasons for his removal?

(f) Are Government prepared to consider the desirability of restricting their mechanisation experiments to one Railway only, preferably the Great Indian Peninsula Railway, in order to effect economies in every direction and reduce their expenditure on special duty Officers?

Mr. A. A. L. Parsons: (a) The information is not at present available.

(b) Messrs. Martin and Jones were employed on the work mentioned.

(c) In order to complete the work as rapidly as possible, it was decided to put it in charge of a whole-time Deputy with special experience of stores accounts. This left no place for Mr. Martin.

(d) The actual facts are that, though a machine had been obtained, the experiment of mechanising the stores accounts on the East Indian Railway was not started.

(e) The work on which Mr. Jones was employed came to an end in December, 1930, and he was then transferred to other duties.

(f) The experiments in mechanisation to which the Honourable Member refers are practically finished, and, as the Honourable Member will see if he refers to Annexure C to Demand No. 11, only very small sums are provided in next year's budget for their completion; even these sums represent mainly expenditure on salaries for March which will be disbursed in April.

APPOINTMENTS IN THE SUBORDINATE RAILWAY ACCOUNTS SERVICE.

301. **Mr. S. C. Mitra:** (a) Are Government aware that separate rules for determining the relative seniority of the several classes of employees who are eligible to be promoted to the grade of accountants in the Subordinate Railway Accounts Service have not yet been promulgated by the Financial Commissioner for Railways as provided for in rule 15 of the Director of Finance, Railway Board's Memorandum No. 5565-F, of the 31st July, 1929?

(b) Are Government aware that though such rules have not yet been promulgated, confirmation in and promotions to the grade of accountants in the several offices under the control of the Financial Commissioner for Railways, have been ordered by the Controller of Railway Accounts?

(c) Will Government state the reasons why these orders have been issued? Has the issue of these orders in any way been caused by the necessity to confirm or appoint the relatives of high officials, for example:

(i) Mr. V. S. Krishnaswami to Grade I accountant—brother of the Deputy Controller of Railway Accounts;

(ii) Mr. G. Rama Rau to Grade I accountant—a relative of the Director of Finance, Railway Board;

(iii) Mr. J. L. Kumra to Grade I accountant—a relative of an officer on special duty under Mr. Scott in the Railway Clearing Accounts Office, Delhi;

(iv) Mr. P. G. Bhandari to Grade II accountant—a step-brother of the Accountant General, Bengal;

(v) Mr. R. K. Puri to Grade II accountant—a relative of Mr. I. S. Puri, officer on special duty with the Controller of Railway Accounts;

and so on?

(d) Is it a fact that accountants of the East Indian Railway who used to be allowed to remain in service till the age of 60 have been refused permission to remain in service beyond the age of 55 or their present

extensions of service? If so, is it for the purpose of making room for others whom the Controller of Railway Accounts desires to confirm in their places?

(e) Is it a fact that appointments of accountants have been ordered in vacancies that have been arranged for to happen in the course of the year 1931-32?

Mr. A. A. L. Parsons: (a) The draft of the rules has been prepared and I anticipate that they will be settled very shortly.

(b) and (c). Confirmations and promotions have been made in accordance with the terms settled at the time of the separation of Accounts from Audit. It was not possible, in justice to the staff, to delay all confirmations and promotions until the somewhat complicated matter of framing rules to determine relative seniority was settled. There is no ground whatsoever for the insinuation contained in the latter part of the Honourable Member's question.

(d) Where extensions have been refused it has been entirely in the interest of efficiency. The allegation against the Controller of Railway Accounts made in the latter part of this question is entirely unfounded, and Government wish to record their complete confidence in his probity and impartiality.

(e) No. In order to equalise promotions as far as possible on the local cadres of the several railways in future, it has been arranged in making initial appointments on the various cadres, that certain surplus men on the East Indian Railway and the Railway Clearing Accounts Office should be formally appointed, in the first instance, to the Eastern Bengal and North Western Railways, respectively, and that, as vacancies occur on the parent cadres, the men should be taken back on their own systems.

APPOINTMENT OF ACCOUNTANTS IN THE OFFICE OF THE CONTROLLER OF RAILWAY ACCOUNTS.

302. **Mr. S. C. Mitra:** (a) Will Government state what principles have been followed in confirming accountants in the office of the Controller of Railway Accounts?

(b) Has any consideration been made to (i) the date of appointment, i.e., length of service and (ii) the date of promotion to the grade?

(c) If so, is it not a fact that many junior men have superseded many senior men and have been confirmed over them? If so, why? Is it a fact that these men are related to high officials?

Mr. A. A. L. Parsons: (a) and (b). Subject always to the principle that the best qualified men in all respects are selected for confirmation, the procedure adopted has been as follows. First, men who were already permanent accountants in the cadres of the East Indian, Great Indian Peninsula, and Burma Railways were confirmed in the cadres of the various railways. Then probationers, who were appointed during the experimental stages of separation on the East Indian Railway and in the Railway Clearing Accounts Office, were confirmed if they were well reported on. In filling the remaining vacancies, length of service, the provisional local seniority lists prepared by the Chief Accounts Officers, the efficiency reports on the men concerned, and the passing of the departmental examinations, were taken into consideration, and it was made clear that in all cases the question of relative seniority would be decided later.

(c) The application of this procedure has resulted in some better qualified junior men being confirmed before senior men. The allegation in the latter part of this question is entirely unfounded.

APPOINTMENTS IN THE ACCOUNTS DEPARTMENT OF THE EAST INDIAN RAILWAY.

303. **Mr. S. C. Mitra:** (a) Is it a fact that no "reserved" posts were earmarked in the Accounts Department of the East Indian Railway for men on the list of the then Accountant General, Railways (Director of Railway Audit), as done for other Railways?

(b) If so, is it not a fact that Messrs. M. M. Chatteraj, N. N. Mukherjee, T. M. Chatterjee, and E. Staples have recently been imported to the East Indian Railway as accounts officers?

(c) Is it not a fact that prior to this Messrs. C. G. Jones, C. A. Pinto, W. W. Morgan, K. C. Choudhury, C. N. Myers, S. M. Kaul, C. A. Thomas, P. K. Sarker, K. M. Sinha, etc., were brought to the East Indian Railway as accounts officers after the Railway was taken over by the State and separation of accounts from audit was introduced?

Mr. A. A. L. Parsons: (a) to (c). The total number of reserved posts was fixed for the Railway Accounts Department as a whole, no specific number being assigned to any particular Railway Accounts Office, and the distribution of the total number among the different Railway Accounts Offices being made according to administrative convenience. Under this arrangement the gentlemen mentioned by the Honourable Member are serving on the East Indian Railway.

THE GENERAL BUDGET—LIST OF DEMANDS—concl'd.

DEMAND No. 19—OPIUM.

Mr. President: The House will now proceed with the further discussion of the Demands for Grants.

The Honourable Sir George Schuster (Finance Member): Sir, I move:

"That a sum not exceeding Rs. 71,56,000 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, 1932, in respect of 'Opium'."

Retrenchment.

Sirdar Harbans Singh Brar (East Punjab: Sikh): Sir, I beg to move:

"That the Demand under the head 'Opium' be reduced by Rs. 7,15,600."

We read, Sir, every year that the Government of India declare at the League of Nations that they are trying to reduce the production and consumption of opium in this country. But we find this year that they have contracted to buy from the Mewar States for 10 years to come opium worth 7½ lakhs of rupees. They say that the Mewar States have got a surplus of opium which, if not bought by the Government of India, will be sold out to the Indian States directly, and in order to utilise those stocks, they maintain that the only means of doing it is that the Government of India should buy them and re-sell them to the States. Sir, the Government of India stopped the export of opium to China and other places on

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moral grounds, but those moral grounds do not apply to the consumption of opium in India. Sir, they have not even taken an undertaking from the Mewar States that, after 10 years, when the present stocks are bought by the Government of India, they shall not have any more cultivation of opium

The Honourable Sir George Schuster (Finance Member): On a point of order, Sir. I do not wish to interfere at all with my Honourable friend, but I understand that it had been settled as a question of procedure in this House that questions of policy were not to be discussed except upon a token out. The Honourable Member's motion in this case is for a reduction of 10 per cent., as I understand it, on the ground of retrenchment, but he is now proceeding to discuss the whole of the Government's opium policy. I submit that that is not in accordance with the procedure which, with your approval, Sir, had been adopted in regard to these debates.

Sirdar Harbans Singh Brar: I only wish to say that this 10 per cent. cut covers the opium from the Mewar States.

Mr. President: Order, order. As the Honourable Member is aware, the House has decided to divide the cut motions into two groups—one for retrenchment and the other for consideration of policy. The Honourable Member has given notice of a cut of Rs 7,15,000, which can relate only to retrenchment. The Honourable Member will have, therefore, to restrict his remarks to questions of retrenchment only.

Sirdar Harbans Singh Brar: Sir, what I really meant was that a contract for buying the Mewar States opinion should not be carried out by Government as a measure of retrenchment. They should not buy those stocks and thus they will save about Rs. 7,30,000 and that amount is covered by my cut. With these remarks, I move my cut.

The Honorable Sir George Schuster: Sir, as I understand it my Honourable friend's motion is really intended to give him an opportunity to protest against the Government's policy as embodied in this contract for the purchase of the old stocks of opium in Mewar State. Under that policy the Government will be setting aside a sum of Rs. 7,30,000 each year for ten years for purchasing these old stocks of opium. I think, if my Honourable friend had really intended to raise that question, it would have been more appropriate if he made his cut one for Rs. 7,30,000 and not for Rs. 7,15,600 which represents 10 per cent. of the grant which I have moved before the House. I think I shall not be incorrect if I conclude from this evidence that my Honourable friend must have changed his intention after he tabled his motion. I would further say, Sir, that if his intention is to raise the question of retrenchment, the cutting out of this particular item is hardly appropriate because the stocks that are bought in this way will also be sold, and the net result as far as Government are concerned, will not be a loss of money. I do not think that it would be appropriate in this debate for me to enter into a long discussion of the policy involved in this particular purchase. Actually it represents an item of expenditure incurred in pursuance of the recommendation of the States Opium Enquiry Committee, that the Government should buy up all the old stocks of opium in the States. Our object is if possible, to

secure the ultimate extinction of the cultivation of opium in the States, so that we may be in a position to arrange with the States that they should obtain all the opium that they require from the Ghazipur factory on payment. The Committee's conclusion, after an examination of the whole facts, was that unless we bought up these old stocks of opium, we should not be able to obtain control of the market. The purchase represents really a self-denying act on our part which we are undertaking in order to respond to the pressure which has been put upon us from outside by all those who get together at Geneva, and who are interested in the gradual extinction of opium consumption. It is certainly not an act for which the Government should be criticised by those who favour the policy of the gradual extinction of opium consumption. It was an act to which, I, as the Finance Member, agreed unwillingly, from the point of view of finance, because it involved the locking up of a certain amount of public money, but as we had decided on full consideration to work for the discontinuance of opium consumption, on that high ground, I felt that mere financial objections should not stand in the way. Therefore, Sir, I think, if I have understood my Honourable friend, the Mover, aright, he, in moving this cut, is really going against the policy which he himself has at heart; and I have, therefore, no compunction in offering unqualified opposition to his motion.

Sirdar Harbans Singh Brar: 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. 71,56,000 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, 1932, 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, 1932, 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. 8,36,000 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, 1932, in respect of 'Forest'."

Administration of the Forest Department.

Mr. N. B. Gunjal (Bombay Central Division: Non-Muhammadan Rural): (Speaking in Hindustani) moved.†

"That the Demand under the head 'Forest' be reduced by Rs. 8,36,000."

†A translation of the speech will be printed later as an Appendix to these proceedings.

[Mr. Badri Lal Rastogi.]

rather appeal, to the Honourable the Finance Member that a river canal, which is urgently needed by the agriculturists in the province of Bihar and Orissa, may be constructed, emanating from the Ganges at Bukhtiar-pore to any convenient place near Nawadah via Bihar. With these words, I move the motion.

Mr. J. A. Shillidy: Sir, I have no doubt that a canal at the place mentioned might do good work, but we have absolutely no information nor have we received any proposal of any kind for a canal at this particular place. I would also suggest that it is not really a matter to be brought before this Assembly but one to be brought before the local Council and the Local Government. I would suggest that the Honourable Member might withdraw his motion on that ground.

Mr. Badri Lal Rastogi: In reply I have only to say, Sir, that I know that this is a provincial subject; but I think the Central Government should help the Local Government with funds in doing this work and that is my reason for moving this cut.

Mr. President: Do you wish to put it to vote?

Mr. Badri Lal Rastogi: Yes, Sir.

Mr. President: 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.

Interest charged on Canals in Orissa and Ganjam.

Mr. B. N. Misra (Orissa Division: Non-Muhammadan): Sir, I move:

"That the Demand under the head 'Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works' be reduced by Rs. 100."

Sir, it is about sixty years ago that these canals were dug. The Orissa canal was dug after the famine of 1866, when some officers reported that this canal should be dug. I think it is well known to Honourable Members that Orissa is always troubled with floods, and there are so many rivers there. Orissa always suffers from high floods and inundation and so on. Practically therefore there was no necessity for a canal. But in those days of our grandfathers, the British Government and the East India Company managed things merrily as they liked and as some officers reported, to the effect that canals were necessary, and they were dug. We do not know what was actually spent in digging these canals. There was no body to check any account. But the interest charge has been heavy and the Indian Government have always been realising it. For sixty years more or less they have been realising interest at the rate of 6 per cent. That is a very heavy burden on poor Orissa: it means that in 60 years they have realised about 360 per cent. The rule of *damdupat* must apply. No moneylender trying to recover more than the principal by way of interest should be so permitted yet the Government of India have been receiving so much interest all this time. In fact when we asked for the formation of an Oriya Province they say our revenue is not sufficient. It is the Government of India which is responsible for this

heavy burden laid on us which impoverishes us. The interest charge on account of these canals, which are of no use to the people, is unjust. In fact we are always troubled with floods in the Mahanadi and the many other rivers in our province, and these canals do no good to us. In spite of that we have to pay the same interest every year on money spent of which we have no account, which was not done with our consent. We are charged about 6 lakhs of interest—we do not know actually what amount they spent to realise this interest, and that is how Orissa becomes poorer and poorer and they say Orissa is a poor country and cannot maintain itself and so on.

The same is the case with the Ganjam canal known as Rusikulya canal. There also the Madras Government pay a very heavy interest charged by the Government of India. That was what they reported when the question of the formation of an Oriya province was before the Simon Commission; both the Governments said that the Government of India claimed heavy interests and that Orissa had not got any money left to maintain a separate Government. The whole of the interest comes to about 12 lakhs for these two canals, the Cuttack or Mahanadi canal and the Rusikulya or Ganjam canal. My object in moving this cut is to draw the attention of the Assembly to the fact that the Government have already realised so much by way of interest that it is high time that they should refund something to Madras and to Orissa: or if they cannot refund anything now, they can at least stop charging any further interest. That is my submission.

The Honourable Sir George Schuster: Sir, this is one of those cases where if the case is considered by itself, there might be some *prima facie* ground for accepting the justice of the claim which we have just heard. But it has to be considered in its setting and as part of the general arrangements which were made between the Central Government and the Provincial Governments. Under rule 24 of the Devolution Rules it is laid down that, "The capital sums spent by the Governor General in Council upon the construction in the various provinces of productive or protective irrigation works and of such other works financed from loan funds as may from time to time be handed over to the management of Local Governments shall be treated as advances made to the Local Governments from revenues of India", and the rule goes on to lay down how the interest is to be calculated on those sums. When the provincial finances were separated, it was necessary to make some adjustment in regard to these capital charges. That is the general position as between the Central Government and all Provincial Governments. Now, I quite admit that in the case of Bihar and Orissa, and in the particular case of this particular canal to which my Honourable friend has referred, they may feel that they have some grievance. Actually the canals to which he referred had cost up to 1920-21 over 2½ crores. Those canals were commenced in 1863 by the East India Irrigation and Canals Company. They were afterwards taken over by the Government against the payment of the full capital cost, and when they were taken over in 1871, a return of 16 per cent. on the capital cost was anticipated. Actually that calculation proved to be incorrect, and I am quite prepared to accept my Honourable friend's statement that the province receives no benefit from that expenditure. But this must be taken together with all the rest of the picture, and there are certain other projects in Bihar and Orissa which are

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productive, for instance the Sone Canal, which cost 2½ crores. That again is being treated in the same way, and that, I believe, is an extremely beneficial project.

Now, I am sure that no one would expect the Government to be able to consent to an arrangement that interest charges on projects which had proved not to come up to the original expectations should be borne by the Central Government, while the benefit of all the successful enterprises should accrue to the province concerned. We must take these things together. Having said as much as that, I am quite prepared to admit that the financial position of the province of Bihar and Orissa is an extremely difficult one, and it certainly would be necessary in any financial re-arrangement which is made to take those difficulties into account. But, the attitude of the Government of India on all these questions has been this, that we cannot attempt to make piecemeal adjustments and that if an adjustment is to be made, it must be made as part of the general plan when the new Provincial Governments have been set up. We all of us hope that those arrangements can be discussed in the very near future, and I also hope that it will be possible to devise some redistribution of revenue which will at least go a long way to satisfy those very eloquent speakers on behalf of the interests of Orissa to whom we listen so often and with such pleasure in this House. For the present, Sir, however, I am afraid I must oppose this cut.

Mr. B. N. Misra: Sir, in view of the assurance given by the Honourable the Finance Member, I beg to withdraw my motion.

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

Mr. N. R. Gunjal: Sir, I don't wish to move this.*

Mr. President: You don't wish to move any one of these?

Mr. N. R. Gunjal: No, Sir.

Mr. President: The question is:

"That a sum not exceeding Rs. 16,47,000 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, 1932, in respect of 'Irrigation (including Working Expenses), Navigation, Embankments and Drainage Works'."

The motion was adopted.

DEMAND No. 23—INDIAN POSTS AND TELEGRAPHS DEPARTMENT (INCLUDING WORKING EXPENSES).

The Honourable Sir George Schuster: Sir, I beg to move:

"That a sum not exceeding Rs. 11,47,94,000 be granted to the Governor General in Council during the year ending the 31st day of March, 1932, in respect of the 'Indian Posts and Telegraphs Department (including Working Expenses)'."

"That the Demand under the head 'Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works', be reduced by Rs. 6,900. (Pay of Officers.)"

Retrenchment.

Sirdar Harbans Singh Brar: Sir, I beg to move:

"That the Demand under the head 'Indian Posts and Telegraphs Department (including Working Expenses)' be reduced by Rs. 1,14,79,400."

Sir, we find that during the last few years the Indian Posts and Telegraphs Department, instead of being run at a profit, is being run at a distinct loss to the taxpayer. Formerly this Department used to give us a profit of about a crore of rupees, and now this Department is run at a loss of about 99 lakhs. Sir, in no other country is the Posts and Telegraphs Department run at such a loss; on the other hand, it always brings in a good profit. I am afraid there is something inherently wrong somewhere in this Department, or it is overburdened with expenditure due to overstaffing, and that is why the Department is working at such a huge loss. I would suggest to the Government of India that in this year of depression and unfavourable economic conditions in the country, they should carry out some adequate retrenchment in staff and overhead charges in this Department and run it at a profit, or if they feel that they are unable to do it, I would suggest that they should hand over the working of the Department to a private company on a contract basis. (*An Honourable Member:* "Oh!"). Certainly, the country must not lose on this Department. Every country is making money somehow from its Posts and Telegraphs Department; therefore I do not see any reason why the Government of India should incur a loss on this Department. The taxpayer cannot bear the burden every year and provide for the losses incurred in these Departments on account of the inefficient administration of the Government of India. They must look into the whole question very thoroughly and take the advice, wherever necessary, of experts with a view to reduce the establishment and other charges wherever possible, so that Government might be able to give us some relief in future.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, I draw the attention of this House to the colossal sum spent on the Radio system nursed by the Posts and Telegraphs Administration. What work, as a commercial Department, does this branch do at all? What is the proportion of Revenue Traffic carried on the Radio system as compared with the Telegraph Department on their land lines?

Is this not purely a service maintained for strategic purposes and not a commercial Department at all? Why should it not be transferred to the Army Budget or wound up, since it is merely a drag on the civil charges without any adequate return or justification? Could it not be more aptly budgeted with Army estimates and the Telegraph Department pay its way, when recourse or use is made of this Branch of Tactical Communications during break-downs on the commercial side? This amount, therefore, is an unjustifiable demand on the civil revenues and devised merely to blot out the success of the Telegraph Department as a solvent concern. Cannot the Telegraph Department carry on without the Radio? If so, why have it at all, and budget it in the Telegraphs and Post Office section and still treat them as purely commercial services that ought to pay their way as solvent concerns? I claim, that the whole expenditure of the Radio system should be budgeted in the Army estimate and that the sum should be withdrawn from the civil estimates.

[Mr. Muhammad Azhar Ali.]

The recurring incidence of budget losses after excluding the Radio figures calls for the serious concern of Government as much as any shareholder would be concerned in the results of a Company's balance-sheet. I would like to know what is wrong and where? Is it that the whole system under the present organised methods is unwieldy and irksome to manage or control, or is it that the Direction are unequal to the responsibilities? It can only be the one or the other, and it is for Government to explain to this House, where they consider the fault lies? Compared with other administrations, efficiently conducted and controlled, how is it, that an institution like the British Post office shows a net profit of £9,250,000 during a similar period and the Imperial Radio Telegraph Company of Bombay, claims to have paid their shareholders nothing less than 12 per cent. as a dividend? This I say, Sir, is a baby enterprise yet. Just picture the position of the Posts and Telegraphs Department, if you and I were shareholders in the concern. This is the position, Sir, and I do say that is an appalling position to place a Department in, which is an essential public service throughout the length and breadth of this land?

Amalgamation of the Posts and Telegraphs: It is not very clear why this was ever undertaken or with what object in view? I do say, Sir, that part of the evils of the Budget of the last few years has more or less been the direct issue of the system of compounding these two large branches, so wide flung, with the result that neither the one nor the other gets its due share of administrative care and executive protection and in this respect, and with the object of thinning down responsibilities at the head, I should advise splitting up the branches, should the next budget, once more prove a failure. Here again the position is anomalous in that, so far, as we see. Postal officers, who have had no previous Telegraph experience and Telegraph officers, who are in the same position without prior postal experience and knowledge of postal administration are appointed as full-fledged Postmasters-General of provinces or Circles. What should you expect but failure in their administrations? Could it be otherwise, I reasonably ask? Sir, my humble submission is that the whole fabric of administration should be completely overhauled and each Circle should be able to show in their Provincial Budgets, year after year, how they stand as regards solvency in their own administrations, demarcating the Postal and Telegraph figures separately. It is only then that the trouble could be eliminated and not otherwise. For this reason, I should like the Budget figures to be shown separately under each province or Postal Circle—under Telegraphs and Posts—separately and it will also act as an acid test to gauge the efficiency of Postmasters-General concerned, who, at present delegate their authority on the Telegraph side to a Deputy, in other words a man who has merely qualified in a most elementary test that might befit him to manage light duties of supervision in a Telegraph Office and certainly does not qualify him to administer a Circle, beyond that of a mere clerk. This must lead to failure surely. Personally, I am not averse to men rising in their respective branches to the highest posts open to them. But this I say, should be by regular examinations from stage to stage and devised specifically on lines to eke out the man's worth for the particular duties, more so, of an administrative nature, where a great deal of efficiency and responsible capacity is in requisition, as Deputy Postmasters-General Traffic, not

held by mere telegraphists, who might have passed the Telegraph Master's test, which, I suggest is no test of capacity for such posts. Had these officers proved to be up to the standard, I do not see why a Traffic Controllership is necessary. Each Circle ought to manage its own traffic requirements, in which case the former's retention is unjustified. The sooner this expensive billet is done away with, with all the touring and establishment charges, the better, I consider.

The waste on the Engineering side is unjustified and Government could supplant this cadre, especially in the subordinate services by a fully competent and efficient service by substantially lowering the wages if direct recruitment is resorted to instead of drawing from the telegraphist cadre, as at present, as the work entailed is of a mediocre standard. Too much money is frittered away on manifold petty engineering jobs into small compartments, whereas, efficient men introduced in the Engineering, Electrical and kindred branches could be efficiently managed by one and the same man. There is no use of Baudot Supervisors as a class, when Electrical Supervisors are attached to offices. All this spells waste. It is for the Department to explore avenues of economy and act honestly and boldly in any practical scheme. Government must ensure this, and the only way they could convince this House of their effort in this direction is by the ensuing Budget, which, I reckon, should be a solvent Budget at least, if no profits are indicated. We cannot have a monopoly service any longer to be a drag on Central revenues.

Mr. S. C. Shahani (Sind: Non-Muhammadan Rural): Sir, I find that the gross receipts of the Posts and Telegraphs Department come to Rs. 10,96,05,000 and that the working expenses amount to Rs. 11,50,26,000, involving a deficit of Rs. 54,21,000. To this deficit would have had to be added the cost of the Indo-European Telegraph Department, if it had not been abolished from the 1st March, 1931. We would have wished very much to have separate statements with regard to receipts and expenditure of Posts and Telegraphs, and I trust that in the future these accounts will be separately shown. These are important Departments and Honourable Members of this House should be in a position to see what the receipts of these Departments amount to and what the . . .

Mr. H. Shankar Rau (Government of India: Nominated Official): The accounts are separate.

Mr. S. C. Shahani: If the accounts are separate, then separate statements might have been profitably given in the Explanatory Memorandum. I did not think that this demand would be reached today; otherwise, I would have come better prepared. (Laughter.) I have, however, to remark that in posts the number of officers is certainly too large, and that the average expenditure upon an officer has been calculated at Rs. 496 per head, when the average expenditure on a subordinate per head amounts to Rs. 42 only. There is a tendency to do away with subordinates and to keep the officers intact. This tendency ought to be counteracted. I have nothing more to say at present with regard to this cut.

The Honourable Sir Joseph Bhore (Member for Industries and Labour): 12 Noon. Sir, I should like at the outset to express my entire sympathy with the intention underlying these motions for drastic reductions in expenditure. That intention, Sir, I take to be to emphasize the need for the most rigid economy in order to secure a

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balanced Budget and I can assure the House and the Honourable Members who have spoken that we have been pursuing and are pursuing to the utmost of our ability the search for means and expedients to ensure such economy. But I would like to enter one caveat, if I may, and it is this—that economy ceases to be economy when it sets in motion the law of diminishing efficiency. My Honourable colleague, the Finance Member, has already explained to the House the procedure we are adopting in our quest for the avoidance of all unnecessary expenditure. Nevertheless, the importance of this subject justifies me, I think, in reading this relevant extract from his Budget speech. He said:

“As regards the Posts and Telegraph, Honourable Members are aware that a special committee to be presided over by a distinguished Member of this House has just been appointed to examine the working of the system of commercial accounts for that department. This committee will throw light on an important question which exercises the minds of Honourable Members, namely, whether the account figures as now shown present a fair picture of the commercial working of the service. When that committee has reported the way will be open for Government to explore means and methods by which this department may most effectively and rapidly but without detriment to its efficiency be placed on a sound commercial basis and made to cease its drain on general revenues. If after that the Assembly consider it desirable that a further search for economy should be pursued Government will consult them as to the best way of giving effect to this.”

The House is aware that both here and outside this Chamber the contention has been advanced that the present system of accounts and accounting imposes a most unfair burden on the budget of the Post and Telegraphs Department and it results in showing a deficit even in a normal year when the Department may perhaps even be working at a profit. When the committee over which my Honourable friend, Sir Cowasji Jehangir, is presiding has made its report we shall, I hope, be able to get this difficult question once and for all out of the way. When that has been done, we shall be in a position either to remove the reproach of continuing deficits, or if that is not possible, to demand and secure from all ranks of our staff loyal co-operation in an endeavour to secure such further economies as may then be found to be necessary. But, Sir, I should not like the House to go away with the impression that our searches after economy are merely dreams of the future. For many months past now the Director General and officers of the Directorate have been functioning as an economy board. The thoroughness and the meticulous care with which they have examined the various operations and activities of the Department is evidenced by the wide range of economies which have already resulted from their endeavours, and of which I should like to give one or two examples to the House merely by way of illustration of what is being done. We have already in the cost of mail bags alone been able to secure during the past year a saving of over Rs. 80,000. We have in the matter of contingencies saved a lakh and a quarter. We have in travelling allowances saved over a lakh of rupees. We are exercising the greatest care in order to prevent transfers which can be avoided and to curtail inspections which can be curtailed without loss of efficiency. We hope to be able to make a considerable saving in our stationery and printing bill by the exercise of the most careful supervision over our stocks and over our requirements. Through the revision of motor mail contracts we have been able to save during the current year something in the neighbourhood of 4 lakhs, and I hope by

the revision of one such contract alone we shall be able to save something like 2½ lakhs in the coming year. This merely covers a portion of the ground which we are searching for economy, but I hope it will serve to give Honourable Members of this House some idea of the efforts we are making. But, Sir, I would like to make it quite clear to the House that the value of its criticism in regard to the financial results of the working of the Department will be seriously impaired if it does not take into account two factors of the greatest importance which very largely influence those results. The first of these, Sir, is the extent to which business, trade and commerce contribute to our revenue. The experience of the past year has laid the most painful emphasis on the extent to which we rely upon these activities for our receipts. When depression overtakes them, as in the past year, we are able to do little or nothing to counteract the heavy loss of income which of necessity must be out of all proportion to such small savings as reduced traffic may render possible. Even in a lean year we must be prepared for any sudden revival which may take place. We have to keep our staff ready and we have to keep facilities available, and therefore it is impossible for us to contract our expenditure in anything like the same measure as the contraction in our receipts. The other factor is the serious effect on the Posts and Telegraphs Budget of the revisions in recent years of the salaries of the lower paid employees of the Department. Out of a total expenditure of about 12 crores, 8 crores represent our salaries bill. Since 1925-26, this item has grown steadily. It has increased from 608 lakhs to 799 lakhs and of this increase, except for a sum of about 50 lakhs, which represents the cost of actual increases in staff, the whole of the balance is due to improvements in pay. Now, Sir, I would like to point out that, of this very large increase of nearly 141 lakhs, the increase which is due to the cost of improvements in the pay of officers drawing more than Rs. 300 a month amounts to the comparatively small sum of about 3 lakhs. The overwhelming bulk of the increase is due to improvements in the pay of officers drawing less than Rs. 300 a month. Nor, Sir, have we reached the peak of the expenditure on this account yet. It has been calculated that we must face an addition of approximately Rs. 50 lakhs to the expenditure of the coming year before the revision of the salaries already granted to the lower-paid employees of the Department will cease to enlarge the departmental salary bill. I would like to give to the House just one or two examples of these improvements in salary taken from the Bengal and Assam Circle. Departmental branch Post Masters and overseers and officials in similar categories, who used to be in the receipt of pay ranging from Rs. 15 to Rs. 30, are now getting a scale of pay of Rs. 50 rising by increments of Rs. 5 to Rs. 100. Postmen who before May 1928 were in receipt of a salary of Rs. 18, rising by quarter of a rupee to Rs. 24, are now in receipt of a pay of Rs. 20, rising by one rupee to Rs. 40. (“Hear, hear” from some Non-Official Benches.) Sir, I merely mention these two factors because I should like the House to know where to search for some explanation of the financial results which are confronting us today, and also that it may be able to realize some at any rate of the difficulties which face those who seek to make retrenchments. Now, Sir, my Honourable friend, Sirdar Harbans Singh, said that in no other country in the world is this Department running at a loss. It so happens, that just two days ago I was able to get figures for the Canadian Post Office. I do not know whether my Honourable friend based his statement on

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any figures or was in possession of any figures. In 1927, the Postal Department in Canada had a deficit of 1,629,000 dollars. In 1928, the deficit rose to 1,850,000 dollars. In 1929, there was a deficit of 2,312,000 dollars, and in 1930, there was a deficit of 2,067,000 dollars.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhamadan Urban): May we know what their postal and telegraph rates are?

The Honourable Sir Joseph Bhore: I am not in a position straightaway to give that information, but I will do so later if desired. Sir, I hope, however, I have said enough to satisfy the House that we are fully seized of the necessity for economy and that for many months past we have been searching every avenue of retrenchment. When the Postal Accounts Committee has made its report, I hope we shall be able better to realize on what lines and to what extent further economies should be pursued.

Sirdar Harbans Singh Brar: I beg to ask for leave, Sir, to withdraw my motion.

Mr. President: The Honourable Member wishes to withdraw his motion. Has he the permission of the House to do so?

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

Pandit Ram Krishna Jha (Darbhanga cum Saran: Non-Muhamadan): Sir, as I see that some of my Honourable friends have proposed amendments to the Finance Bill on the same point, I do not wish to move my motion.*

Representation of Depressed Classes in the Posts and Telegraphs Service.

Rao Bahadur M. C. Rajah (Nominated Non-Official): Sir, I rise to move:

"That the Demand under the head 'Indian Posts and Telegraphs Department (including Working Expenses)' be reduced by Rs. 100."

Sir, I tabled this motion with a view to bring before the House the necessity of recruitment from among the depressed classes to the Posts and Telegraphs service. Sir, speaking on this question of the employment of the depressed classes in these services, I wish to point out that this question has not received the earnest consideration of the Government. I wish to ask, Sir, what have the Government done for the representation of the depressed classes in these services? Did Government make any endeavour in the past to secure recruits from among the depressed classes, a minority community which is not represented in the Posts and Telegraphs services?

It will be within the recollection of the House, Sir, that on the 23rd February, 1928, the House had adopted a Resolution in the following terms:

"This Assembly recommends to the Governor General in Council to issue directions to all Local Governments to provide special facilities for the education of the untouchables and other depressed classes, particularly by reserving seats in teachers' training classes for them and also for opening all public services to them."

"That the Demand under the head 'Indian Posts and Telegraphs Department (including Working Expenses)' be reduced by Rs. 1,00,000. (Re-introduction of one piece postcard.)"

Sir, might I ask what have the Government done to give effect to that Resolution? I hope the Government have not treated it as a mere scrap of paper or as an untouchable Resolution. Sir, the Posts and Telegraphs services should afford plenty of opportunities for members of the depressed classes, inasmuch as these two services have a number of appointments in the different grades from the postal peon to the Superintendent of Post Offices. There are plenty of qualified men in community, Sir, possessing the requisite qualifications. Perhaps in some cases they may be a little over-aged. In that case they should be given exemption from the age limit. I submit, Sir, that the depressed classes should get their due share in these services, and I want the Government of India to set a better standard of justice in its dealings with the depressed classes, to be followed by the other Provincial Governments.

Sir, if there could be any subject fit for the solicitude of the Government of India, I beg to submit that it is the elevation of the depressed classes within a reasonable time. What have the Government of India done in this matter? Have they at least made a beginning, seeing that responsible government is to be granted to India?

In these circumstances, Sir, not to recognize the caste spirit of the people and devise ways of counteracting its mischief in public bodies as well as in the public services, while bestowing larger powers on them, is simply to enlarge the opportunities of caste rule. Sir, if the scale of justice is to be held evenly in the public administration of the country, it is very necessary that all classes should be properly represented in the public services. Our men, Sir, are most anxious to associate themselves with the Departments of British administration. Sir, official posts carry with them, not only official and administrative authority, but also political influence. The presence of men of a particular class in the public services brings social prestige, political influence and educational opportunities to that community.

If men belonging to my community, who are depressed by poverty and social contempt and are not therefore able to secure attention to their grievances and to occupy responsible posts in the public services, are appointed, I am sure, Sir, that the grievances of my people will be attended to more readily than they are at present. In that case fewer obstacles will be placed in the way of their getting the grievances redressed, and my community will be much more respected than it is at present. Sir, we want a powerful and effective representation in the public services.

It should be remembered, Sir, that the holding of Government posts acts like magic upon the public mind in divesting it of the stupid notions of untouchability. It is the investing of the depressed classes with Government authority and responsibility which will drive this devil of untouchability out of the country.

Sir, it is for this social, moral and political effect that I ask Government for an effective representation of the depressed classes in these services, and that the minimum qualifications required by the rules relating to recruitment to the public services should be considered sufficient.

There are a hundred different positions in which the members of my community could have acquitted themselves with honour to themselves and with profit to the Government and to the country if only they had their fair chance. I hope the Honourable Sir Joseph Bhore, the Member

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in charge of this Department, who has the interests of the depressed classes at heart, will issue instructions to the Postmasters General in this matter, and I also hope that my Honourable friend, Mr. Sams, who I know is a sympathetic officer, will during his tours discuss the question with the officers concerned and see that the members of the depressed classes are employed in the Departments under his control.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, we all feel depressed here; I am a depressed politician. Mr. Rajah also feels depressed because of the large number of people that he represents in this House, though by the nominated backdoor, who do not find adequate representation in the services. Whether they are Hindus, Mussalmans or Christians, I hope my Honourable friend Sir Joseph Bhore will look into the matter of their adequate representation in the Postal Department. That does not mean, however, that my friend Sir Joseph Bhore should increase the expenditure of the Postal Department to which he alluded a few minutes ago. He referred to the policy of increment in the scale of salaries in the Postal Department that was given effect to a few years ago and said that, to complete that policy, Government will have to spend 50 lakhs of rupees more. Personally, I think it was a mistake to give a wholesale rise to the employees of the Postal Department. Under the present circumstances, if a Retrenchment Committee is appointed, they should see if the salaries of the employees of the Postal Department cannot be reduced from top to bottom. On that condition, the depressed classes can find representation. My friend Sir Joseph Bhore alluded to the committee which will be presided over by Sir Cowasji Jehangir, and I was surprised to hear from him when he quoted a passage from my Honourable friend Sir George Schuster's speech, where he said that the Accounts Committee, which will be presided over by Sir Cowasji Jehangir, will work out the necessary retrenchment. I will just read one passage from the Government Circular which gives the constitution of the Posts and Telegraphs Accounts Committee. It says:

"The Committee on Public Accounts recommended the constitution of a small committee to consider, how far the system of accounting at present in force in the Indian Posts and Telegraphs Department really provides a true picture of the commercial working of the Department, and, as the chief part of the inquiry, to investigate the actual results of the existing provision for depreciation and to consider, in particular, its adequacy having regard to replacements which are likely to be necessary, and to the foundation on which the Capital account as it stands at present is built up."

Mr. H. A. Sams (Director General of Posts and Telegraphs): Is the Honourable gentleman discussing the depressed classes?

Mr. B. Das: My friend Mr. Sams will soon know, as I develop my point, that I am advocating that Mr. Rajah's community should find adequate representation in the Postal Department. I will establish at the same time that there should be adequate retrenchment, so that the two things may be accomplished together. In the same connection, I shall see that my Honourable friend Sir Joseph Bhore receives a reply to a speech which he made a few minutes ago when he pleaded against retrenchment.

Mr. President: The Honourable Member should restrict himself to the motion before the House.

Mr. B. Das: I will try my best to do so. Sir, while I whole-heartedly support the view that the depressed classes should find adequate representation in the services, I do not agree with my Honourable friend Sir

Joseph Bhore that there is no ground for retrenchment or that he will need another 50 lakhs to raise the salaries. Sir, in the Postal Department there is about 20 per cent. extra staff, whose duty is to provide for leave absence and to act for those people who go on leave. I think that when the Postal Department is not paying its way, there should be a reduction in this leave reserve. Sir, I hope I will get another opportunity when I will be able to challenge my Honourable friend Sir Joseph Bhore's statement.

Mr. President: The Honourable Member should restrict himself to the representation of depressed classes.

Mr. B. Das: Being a depressed politician and having no chance to take part in the deliberations of the Members on the Treasury Benches to reduce the expenditure properly, I feel depressed to point out how my friend Sir Joseph Bhore can whole-heartedly join the Finance Member to reduce the expenditure of his Department. Sir, I congratulate my friend Mr. Rajah for his advocacy, whether it is on the floor of this House, outside this House, or even in England, for the 60 million people whom he represents. In the near future he will not be the only gentleman to represent the depressed classes on the floor of this House, and I hope my friend Sir Joseph Bhore will give them adequate representation in the Departments under him on the ground of merit and at the same time he will see that the administrative cost of his Department is reduced.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, being one of those who are anxious to secure proper representation of all communities in the services of the country, I whole-heartedly associate myself with the motion of Mr. Rajah. In the interests of efficient administration of the country, and in order to secure peace in the country, which is a condition precedent to the attainment of Swaraj or Home Government in this country, there should not be, in my opinion, domination of one community in the Government service. Sir, nobody wants that efficiency should suffer for the sake of any communal representation. In fact, communal representation is desired only in order to introduce nationalism in this country. We want communal representation in order to destroy the demon of communalism in the name of nationalism. Sir, communalism is rampant in this country, and whenever any demand is made for the representation of any community which requires particular protection in this matter, it is always argued in this House that the Mover of that Demand is a communalist and that he wants to introduce communalism. But, Sir, that communalism is brought in only to break the other communalism which prevails in the country. It is a greater communalism which has taken hold of all the Departments of the Government of India. Sir, there is no reason why the depressed classes, who form a majority of the population in Southern India, should not get such a share in the services of that province as other communities have got, especially the minority communities.

Diwan Bahadur T. Rangachariar (South Arcot cum Chingleput: Non-Muhammadan Rural): Are there no depressed classes in Upper India?

Maulvi Muhammad Yakub: I alluded to Southern India only, because there is a large percentage of their population in that part of the country.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): And there is greater Brahmin domination there!

Maulvi Muhammad Yakub: Yes. I do not see what difficulty there can be in the way of an appointment like that of a postman, for which no special qualification or expert knowledge is needed. Sir, when it is the case of filling up a technical appointment, it is always said in reply, that as it was a technical post, therefore a technical man was required for it. We know, Sir, that the post of a postman does not require any special or technical knowledge, and there is no reason why some members of the depressed classes should not find adequate representation even in getting the post of a postman or an overseer. Sir, while associating myself with this motion, I wish also to congratulate my Honourable friend Sir Joseph Bhole and the Director General of Posts and Telegraphs for raising the pay of the postmen. I would say, Sir, that I do not grudge that increment. On the other hand, I would be still more glad, if some more increment was given to this poorly-paid service. The lot of a postman is the hardest in the country, and if any Department of the Government of India deserves our approbation and approval, it is, I should say, the Postal Department. (Hear, hear.) In the frosty air of December and in the scorching sun of Jhansi and Bundelkand, the poor postman has to take our letters, and deliver them in time; he has also to carry the news from one place to another place, and his lot really deserves our greatest sympathy and consideration. I am very glad that something has been done for this poorest paid and hardest worked servant of the Government, and I hope, whenever, it is possible, something more will be done to help this Department, for in this Department, Sir, you will find that there is no leave and no holidays. Even on days of their national festivities, the Post Office people have got no leave, but they must work from morning till evening.

Mr. President: The Honourable Member objected to Mr. Das, but he himself is now dealing with matter which is not relevant.

Maulvi Muhammad Yakub: I conclude, Sir, and sit down.

Mr. H. A. Sams: I have listened with great interest to the speeches of my Honourable friends, Mr. Das and Maulvi Muhammad Yakub, but I imagine that I am really replying to my Honourable friend Mr. Rajah about the recruitment of the depressed classes and not to the woes of depressed politicians. I shall, therefore, confine my remarks strictly to the recruitment of depressed classes. Now, Sir, this Department prides itself on being a democratic and representative Department. One way of attaining that result has been our method of purely local recruitment. We have in the past, even before the issue of the orders of the Government of India, and particularly since then, done our best to try to adjust communal preponderance. I should like, if I may, to give some idea of the percentages that now exist in the clerical classes. The composition of the clerical cadres of the Department is:

Hindus, 66.3 per cent.

Muhammadans, 21.6 per cent.

Domiciled community, 1.8 per cent.

Sikhs, 2.5 per cent.

Indian Christians, 3.1 per cent.

Other communities, 4.7 per cent.

I cannot, of course, say exactly how far the depressed classes come into this figure of 4.7 per cent., but I imagine that we now actually have a good many of that particular class.

The Revd. J. C. Chatterjee (Nominated Non-Official): When he is giving these figures of the depressed classes, is the Honourable Member sure that a great many of the depressed classes do not class themselves as Hindus?

Mr. H. A. Sams: That, I cannot say, Sir, till I have the actual figure. But the figure I just now gave is of other communities. We have not separate statistics about the depressed classes. I presume also that when a man applies, he does not say that he belongs to the depressed class. He simply puts in an application and gets the appointment. As I was saying, Sir, we are arranging to adjust the communal preponderance, as the House very well knows, by reserving one-third of the vacancies for communities which are not properly represented. I welcome Mr. Rajah's suggestion that I should discuss this question with certain officers when on tour, and I shall certainly do so and shall instruct my touring officers to do the same. At present, I am afraid, the whole proposition is rather vague. I should like to discuss the question with Mr. Rajah, personally, to see how we can really get down to some methodical way of bringing in representatives of his class. Later on, if Mr. Rajah will meet me, I should be very glad to get down to that subject. In the meantime I must oppose the motion.

Rao Bahadur M. C. Rajah: Sir, I am very thankful to my Honourable friend, Mr. Sams, for his sympathetic reply, and I beg leave to withdraw the motion.

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

Denial of Calcutta-Delhi Transfer Concessions to certain Clerks of the Director General's Office.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur cum Orissa: Muhammadan): Sir, I beg to move:

"That the Demand under the head 'Indian Posts and Telegraphs Department (including working expenses)' be reduced by Rs. 100."

Sir, in moving the above motion, I desire to bring to the notice of this House a case of glaring injustice done to a few clerks in the Office of the Director General of Posts and Telegraphs, most of whom belong to my community. This is a story five years old. Time and again we have tried to have this grievance redressed by causing various questions on the subject to be answered on the floor of this House but to no effect.

In 1926, certain concessions were granted to the clerks of the Office of the Director General of Posts and Telegraphs on the occasion of the transfer of the headquarters of that office from Calcutta to Delhi. These concessions were granted not only to those clerks whose services were actually transferred with their headquarters, but also to those Bengalis who were in Simla at that time and satisfied certain conditions. In granting these concessions, the Government imposed two principal restricting conditions, namely, (1) the clerks should maintain homes in or around Calcutta on the date of the orders granting the concession, and (2) that they should be Calcutta recruits. I cannot but take strong exception to

[Mr. M. Maswood Ahmad.]

the mentality which was responsible for imposing these conditions and thereby debarring only 19 out of 220 clerks in that office from being eligible for these concessions.

There are now only 15 men who are affected, as of these affected clerks, two are ladies who were given the benefit of local recruitment, and two have since been promoted. These four clerks do not stand to lose much. The Department will not be put to any great expenditure if they now extend to these 15 men the concessions, which are merely recoverable advances and advance increments which are to be absorbed in future increments. In all, Government may have to incur expenditure to the extent of Rs. 3,000 to Rs. 4,000 if the concessions are granted. For this paltry sum of money Government can, however, remove a grievance. They have spent quite a large amount of money in granting these concessions to about 200 clerks, and it is not understood why they should not spend a little more to remove a just grievance.

There might have been justification, although I have my doubts in this respect, of withholding these concessions at a time when the affected men did not stand to lose anything by the transfer of the headquarters of their office from Calcutta to Delhi. It needed no foresight to see at that time that they would ultimately be the worst losers and required liberal compensation. All these men having now been transferred permanently to the Delhi office have been deprived of the allowances they were receiving from the date of their appointment. They have thus been put to a loss of about Rs. 1,000 to Rs. 1,200 each in his emoluments per year. Government have saved about Rs. 15,000 or more from the pay and allowances of these poorly paid clerks. Is it too much to expect that Government will forego about one-third of this amount to compensate them? Sir, if Government find the rock of prestige standing in their way to extend the concessions to these men now that they have been permanently stationed in Delhi and made to lose a considerable amount per year, I would suggest that they should be given the benefit of their past service in the recently introduced local rates of pay. This may be done without affecting the question of seniority of other clerks in order to protect them from the loss and in view of the fact that they are and have been considered as local recruits.

Somewhat or other these clerks must be compensated. It is against all canons of justice and equity to make these poor men suffer so heavily in these hard times. You may imagine how a man, who had been getting about 1,500 to 1,600 rupees per year since his appointment and up to 31st December last year, can make both ends meet with only 600 or 700 rupees per year from the 1st of January this year.

With these words, Sir, I move the cut of Rs. 100 from the Posts and Telegraphs Budget and I hope I will have the support of Honourable Members in favour of this motion.

Mr. H. A. Sams: Sir, my Honourable friend has painted a somewhat black picture, but I think I can explain in a few words what actually happened. As the House probably knows, the office of the Director General of Post Offices, and later on of Posts and Telegraphs, has for many years been in Calcutta. It was removed to Delhi in two batches during 1926 and 1927. Now, a large majority of the present clerks were recruited definitely in Calcutta and were expected to serve the whole of their time

in Calcutta. They had their homes there, and their children were at school there. There were other clerks who, although they were recruited in Calcutta, came up to Delhi at the time of the reforms and worked in the Director General's camp office. There was a third category who were recruited definitely in Delhi and Simla, and knew from the first that they were going to serve in Delhi and Simla. Now, Sir, the Government of India very carefully considered these three categories. They realised the hardship that first category would suffer from being uprooted from Calcutta and transferred to Delhi, and they therefore gave them somewhat liberal concessions. With regard to the other ones who had been here for some time, the Government of India considered that they too should have a certain amount of concession; but they did not see any reason whatever why, simply for the sake of uniformity in giving concessions, they should give it to people who had definitely been recruited in Delhi and Simla. I know the attitude of my office perfectly well. They look upon these concessions as pure *bakshesh* and they say that if A and B got a *bakshesh*, why should not C also get it? That is not the case at all. A got it because his hardship was greater than B, and B got it because his hardship was greater than C, and C did not get anything because the Government of India did not recognise there was any hardship at all.

Mr. M. Maswood Ahmad: Sir, the grievance has been placed before the House to draw the attention of the Honourable Member to it and I hope he will consider these cases very carefully. Sir, I do not want to press the motion to a division.

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

Mr. President: The question is:

"That a sum not exceeding Rs. 11,47,94,000 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, 1932, 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).

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, 1932, in respect of 'Indo-European Telegraph Department (including Working Expenses)'."

Diwan Bahadur T. Rangachariar: Sir, may I ask for some information with regard to this Demand? My idea is that this Department is going to be abolished in the course of this year. I want to know whether it is a fact or not.

Mr. H. A. Sams: The Department was abolished with effect from the 1st March and it no longer exists.

Mr. 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, 1932, 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.

The Honourable Sir George Schuster: Sir, I beg to move:

"That a sum not exceeding Rs. 3,27,09,000 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, 1932, in respect of 'Interest on Debt, and Reduction or Avoidance of Debt.'"

Appointment of a National Investment Board.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan-Rural): Sir, I beg to move:

"That the Demand under the head 'Interest on Debt and Reduction or Avoidance of Debt' be reduced by Rs. 100."

Sir, there is considerable discontent in Indian financial circles in regard to the manner in which the Government of India manage and administer the various investment funds in their hands and raise loans in this country and in England. There are funds such as the proceeds of Postal Cash Certificates, Savings Banks, Famine Insurance Fund, the Railway Depreciation and Reserve Funds, the contribution to the various sinking funds and various other deposits, the administration of which is in the hands of the Finance Department of the Government of India. The Paper Currency Reserve and the Gold Standard Reserve form altogether a different category of reserves. These funds are at present practically mingled with the Treasury balances and go to help the Ways and Means programme.

My Honourable friend Mr. Shanmukham Chetty pointed out in his speech on the general discussion of the Budget the other day how unsatisfactorily the Ways and Means affairs are handled and how much saving can be effected if they are judiciously administered. He urged also the necessity to make arrangements to purchase Government stock now, and then when they depreciate in value the credit of the country may be maintained and the market rate of interest of public loans be stabilised.

The main object of this motion is to suggest that a standing committee may be appointed, consisting of representatives of various interests, into whose hands may be transferred the banking and investment functions of the Government. They will work under the close control of the Treasury. They will look after the investments of the reserve and sinking funds of the various Departments, and the purchase of securities in the market on behalf of those funds. To this body may be entrusted the functions connected with all the branches of the public debt. These functions would be the issue of public loans and their conversion, the purchase and sale of securities in the market, the payment of interest on the debt and its discharge. Most of these functions are now performed by the Secretary of State and the Bank of England, and there may be considerable difficulty and opposition from vested interests for the transfer of such control. But if things are to be done from a purely national point of view, the difficulties have to be surmounted. There was widespread dissatisfaction in this country when it was announced recently that the Government were raising a loan of £12 millions at $5\frac{1}{2}$ per cent. at 97, when the bank rate of interest was between 2 and $2\frac{1}{2}$ per cent. in England. Even in this country safe and secured investments do not fetch as much

interest, and people felt that Government were showing a partiality towards the British investors. Simultaneously with the Government of India issue the London and National Property Company raised a debenture loan of £2 millions at 5 per cent., secured on their properties, which was subscribed at 99. If you will compare the rate of interest and the discounts of the Government of India loans and those of Australia, Canada and South Africa, which were issued in the same period during the last ten years, you will be convinced that there is sufficient ground to complain that our loans are not raised in England to our best advantage.

Most of the civilized countries having a public debt have a National Debt Commission to control the debt transactions. Great Britain and Australia have also got a Public Works Loans Board for financing the needs of local bodies. South Africa, Australia, Japan and France all have their National Debt Commissions. In France they have a *Caisse D'Amortissement*, an organisation to look after the national debt and provide for the sinking funds and extinction of debts, established in 1926 by M. Poincaré's Government.

Mr. Layton, the Financial Adviser to the Simon Commission, suggests the desirability of instituting an organisation for the control of our provincial loans. Since his Report was written, we have advanced very much and we are thinking more in terms of the nation now. Of course, this work may also be included in the legitimate sphere of the Commission's work. It is time the railway and other funded loans and the loans lent to the provinces were separated and transferred from the hands of the Government of India and managed by a separate body. I cannot do better than quote the late Finance Member, Sir Basil Blackett, from his Budget speech in the year 1925:

"I look forward to the day when the Fund (Provincial Loans Fund) may be administered by an Indian body corresponding to the National Debt Commissioners or the Public Works Loan Commissioners in England, and the money required for advances from the fund raised in the open market by the controlling body, on the security of the assets of the Fund. . . . I am confident, however, that considerable benefits will accrue to the finances of India when the day comes on which the advances made by the Central Government to Provincial Governments will be excluded from the Public Debt of the Government of India. . . . Not only these advances to the Provincial Governments, but also the Railway debt of the Government of India may be ultimately separated from the ordinary debt and raised subject perhaps to the Government of India guarantee, not on the general credit of the revenues of India, but on the security of the assets of the Provincial Loan Fund and of the Railway undertakings or the State, respectively."

Sir, though six long years have passed since that was spoken on the floor of the Assembly by the then Finance Member, no effort has been made in the direction of achieving that end, an end that will go a long way to assuage the distrust and suspicion prevailing among a large class of my countrymen.

Sir, I move.

Dr. Zia-ud-din Ahmad (United Provinces Southern Divisions: Muhammadan Rural): I have very great sympathy, Sir, with the object of the Mover, but I think it is not desirable to take this problem as a stray problem. There are other questions of equal importance on the financial side which ought to be considered simultaneously. Not only the question of debt, but the question of interest, the question of sale of reverse bills, the question of the exchange policy—all these things will have to be considered

[Dr. Zia-ud-din Ahmad.]

together and so I think it is desirable that we should wait at this stage after drawing the attention of the Finance Member. Probably the question may be taken up at the Round Table Conference; and therefore though I have great sympathy with the object of the Mover I think this question cannot be taken up as a stray question independent of the other financial problems.

The Honourable Sir George Schuster: Sir, I do not know whether I should be right in taking the opinions expressed by the last speaker as representing the opinions of this House; but I think perhaps I may assume, from the fact that the motion has not evoked further oratorical efforts than those to which we have listened, that the general feeling of the House is that they do not wish to discuss this subject at very great length today. I am a little handicapped in replying to the first speaker, because I am afraid I found it somewhat difficult to follow all his remarks. I would only like to say now that he appeared to me to cover a very wide field and to some extent to confuse a number of different subjects. There is first of all the question of establishing a body of National Debt Commissioners or something of that kind. That involves a piece of machinery which might be useful in the future and which would be concerned with the administration of sinking funds and matters of that kind.

Then there is another question, the question as to who should be the various borrowing authorities, whether we can look forward to a time when the Provincial Governments or a Provincial Loan Board should borrow direct on the security of the Provincial finances, without involving the credit of the Central Government, or also a time when the railways might raise their own loans direct, without involving the general credit of the Government. That brings up another very important question, which is obviously deserving of serious study.

Lastly, there is the question of the control of the actual policy of borrowing by the Central Government; and when I say control of the policy of borrowing, I mean not merely the control of the Government's capital expenditure programme, which after all does come before this House at the time of the Budget, but rather the control of the actual arrangements for the raising of loans from time to time when those have to be raised.

All these three points are points of completely different significance, and they raise entirely different considerations. I shall not attempt to deal with them now, but will only ask Honourable Members to clear their minds on the subject when they are considering this general question referred to under the heading of Debt Policy, and not to confuse those three issues. That is all I wish to say this morning, and I think I may take it, as I have already said, that the general feeling in this House is that this is not the time to debate any of these three subjects fully. With these words I venture to ask the Mover of the cut to withdraw his motion.

Mr. K. P. Thampan: Sir, although I am not satisfied with the reply which the Honourable the Finance Member has just made, I do not wish to press my motion. If the House will allow me, I wish to withdraw it.

Mr. President: Do you wish to withdraw the motion?

Mr. K. P. Thampan: Yes, Sir.

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

Debt Position.

Mr. B. Das: Sir, I beg to move:

"That the Demand under the head 'Interest on Debt and Reduction or Avoidance of Debt' be reduced by Rs. 100."

Sir, I have given notice of this cut with a view to discuss the Debt position. I do not want to anticipate the discussion that might take place outside this House, but I want to know from the Honourable the Finance Member the exact debt position and the position that our decisions might lead to in subsequent years. Sir, the debt position had been discussed this year on three or four occasions, and the Honourable the Finance Member had been good enough to tell us on two or three occasions that India's credit is sound and good. I am not going to discuss today whether India's credit is sound and good. I am going to ask the Honourable the Finance Member whether his method of manipulation of India's debts is just what it should be or whether there could be any improvement on it. If I turn to page 17 of the Explanatory Memorandum, I find the debt is increasing as usual. On the 31st March 1923, the productive debt was 881 crores; now it stands at 1,160 crores for the current year ending the 31st March, 1931. For these heavy debts the railways are alone responsible, because they have raised their capital from 517 crores on 31st March 1923, to 745 crores in the present year. Sir, we all knew when the Railway Budget was discussed that the railways were running at a loss, and the question naturally arises whether the present policy of increasing or adding to the capital expenditure of the railways every year is a sound one, although it has been noted this year that the Railway Board have reduced their capital expenditure to the tune of 11 crores; yet, I think the position of the railways is very dangerous, because 200 crores of capital have been added to the railways without making any provision, or without thinking of the provision, as to how the interest charges on those debts should be met.

Then, Sir, I want to discuss the irresponsible way in which the Central Government advance money to the Provincial Governments and the Indian States. Of course, I do not hold my Honourable friend Sir George Schuster responsible for following the frenzied financial policy that a predecessor of his initiated in 1921-22. Sir, at that time the Provincial Governments were probably inspired by the Central Government and by the British Government to incur as much capital expenditure as they could, so that British industries could thrive and the Central Government was there all the time to foot the Bill. Whether the Central Government was in a position to do so or not, I cannot say, but the Central Government, I think, in those years did not examine the position whether the Provincial Governments were in a position to pay the interest charges on the loans advanced to them. Although through the Audit Department the Central Government exercised control on loans incurred by the Provincial Governments, I do not think the Central Government possessed or even now possess any machinery to examine those capital projects for which the Provincial Governments came to the Central Government for loans. The Honourable the Finance Member just now observed that a time might come when the Railways and the Provincial Governments would incur loans on their own account. I hope that day will never come. (An Honourable Member: "Why?") Who asked me why?

Diwan Bahadur A. Ramaswami Mudaliar: I asked why?

Mr. B. Das: I think my Honourable friend, who has recently returned from the Round Table Conference, might be in a mood to see such power transferred to the provinces. I am not one of those who want that the Railways should be a statutory body, as suggested by the Round Table Conference held in London, and to which my Honourable friend was a party

Diwan Bahadur A. Ramaswami Mudaliar: Sir, I was never a party. That is another statement which has been repeated without understanding the proceedings of the Round Table Conference.

Mr. B. Das: I do not care to understand the proceedings of the Round Table Conference, but it is a fact that you gentlemen, who were there, yielded, and you have yielded that the Railways should be a

Diwan Bahadur A. Ramaswami Mudaliar: Nothing of the sort.

Maulvi Muhammad Yakub: How can the Honourable Member address another Honourable Member of this House, Sir? Should he not address the Chair?

Mr. B. Das: I would remind my Honourable friend Maulvi Muhammad Yakub that at times in the heat of the moment a sentence can be addressed in the terms of "You". Sir, I am not one of those on this side of the House who would advocate that the Provincial Governments should have complete power to raise their loans. I hope that the time will never come when the Railways will be a statutory body and the Railways can raise any amount of capital they want, because we all know now that the Railways are completely mismanaged, and they have not the means or wherewithal to pay the interest on the public debt. I should be very glad to hear, when I sit down, my friend Mr. Mudaliar to expound his views as to how he would like the Provincial Governments to be free completely from the Councils or the Federal Assembly to which he is a party; I would like to hear him tell us as to how he would like the Provincial Governments to do anything they like in the matter of their public borrowings. Now, I should just like to read a few extracts from the proceedings of the Public Accounts Committee for the year 1927-28, for the benefit of my friend Mr. Mudaliar. I am reading from page 89.

Mr. President: I would remind the Honourable Member that there is a 10 minutes' time limit for speeches.

Mr. B. Das: Very well, Sir, I shall not take very long.

"Mr. Burdon," who was Finance Secretary, "further explained that when these schemes were embarked upon they were expected to be productive and that the Government of India had considered that in the special circumstances it was not equitable to raise the rate of interest merely because at a later stage the anticipations of revenue proved unlikely to be realised. The Chairman explained that the question of the rules for fixing rates of interest under the Provincial Loans Fund was now under consideration in consultation with the Provinces. His own view at present was that the rules as framed were unlikely to attain their object. . . . He thought therefore that the distinction between productive and unproductive schemes should be made according to the nature of such scheme at the beginning, and that in the case of loans for unproductive schemes it would be better rather to insist on a comparatively short period of repayment, instead of merely adding $\frac{1}{4}$ per cent. to the rate of interest charged."

My point is that the Provincial Governments make extravagant schemes and they put the Government of India in a hole, and they cannot provide the necessary interest charges from the schemes they launch.

Sir, about the Indian States I made some observations the other day. I again repeat that when the Government give them loans, they should see that there is a guarantee at least that there will be an adequate return

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

Mr. B. Das: I will now conclude. The other day I saw in the newspapers that even now loans are given at 3 or 4 per cent. to certain people. I do not think that it is a right policy that the Government should borrow money at 5 or 6 per cent. and give loans at 3 per cent. As my time is up, I hope that the Honourable the Finance Member will reply to me not only as regards his policy about productive debt, but also as regards unproductive debt.

Mr. President: The Honourable Member is going on still.

Mr. B. Das: I have finished, Sir.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Mr. President, before the year 1925 there was no definite scheme according to which provision was made for a sinking fund; it was done in a more or less haphazard manner according to the revenue position of each year. But from the year 1925-26, Sir Basil Blackett inaugurated a definite scheme of debt redemption, and he chalked out a scheme for five years. It was then understood, and, in fact, he gave a definite promise to this House that at the end of the five years he would consult the non-official Members of this House whether it would be advisable to revise that scheme, and, if so, in what directions. According to that scheme, the arrangement that was then arrived at terminated in the year 1929-30, but my Honourable friend is still continuing to make provision for the sinking fund on the same basis that was adopted in the year 1925-26. It is said in this Explanatory Memorandum that, "It has been decided pending further consideration of the scheme along with the Railway Convention, that provision from the year 1930-31 onwards should be made on the same lines". I fail to understand how the scheme of a sinking fund has anything to do with the scheme of Railway Convention, and in this connection, I would like to know from my Honourable friend what exactly he proposes to do in this matter. So far as the scheme of Railway Convention is concerned, a committee of this House was set up a year ago and that committee has been allowed to go to sleep, and for every scheme we are told that nothing could be done pending revision of the constitution. I would like to know exactly what is the position of the Government of India in the matter of the sinking fund scheme. Is it their intention that in the discussions that will take place later on on the constitutional revision they would press for a definite arrangement to be made for certain sums to be set apart for the reduction or avoidance of debt, and if so, have they thought out a scheme, and would they take the non-official Members on this side of the House into their confidence and give them an idea of the scheme that the Government of India propose to place before the Round Table Conference?

[Mr. R. K. Shanmukham Chetty.]

There is a great deal of misconception about our debt position. Whatever might be the justification or otherwise of the origins of our debt, I am not one of those who feel alarmed at our debt position. If Honourable Members will refer to page 47 of the Explanatory Memorandum, they will find that the total public debt of India, interest-bearing obligations of the Government, comes to the enormous figure of Rs. 1,160 crores. On the face of it, one might be led to think that our debt position is very bad indeed; but if you read these figures carefully, you will find that out of the Rs. 1,160 crores more than Rs. 937½ crores are invested in productive enterprises, so that our non-productive debt, or deadweight debt comes to only Rs. 193 crores, which is not a very alarming position. This is a factor which is not appreciated in very many quarters. I am one of those who are of opinion that you must provide a sinking fund only for the unproductive portion of our public debt, and if you consider the fact that the unproductive portion of your public debt is only Rs. 193 crores, well, I beg to submit that to set apart from current revenues Rs. 678 lakhs as sinking fund is dealing rather unjustly with the revenue position. I would, therefore, like to know from my Honourable friend whether the Government of India have any definite scheme for revising this provision for the sinking fund.

Mr. President: The House will now adjourn till 2-30 P.M.

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.

STATEMENT LAID ON THE TABLE.

REPORT OF THE COMMITTEE ON SALT.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to lay on the table the Report of the Committee on Salt.

Report of the Salt Industry Committee of the Legislative Assembly.

1. The Committee accept the principle that it is desirable to make India independent of foreign salt, and that this in fact means that India should be able to produce from Indian* sources a sufficient quantity of that quality of salt which is now imported for consumption in the markets of Bengal, Bihar and Orissa and Assam.

2. They agree with the Tariff Board that if it were possible to devise a scheme for the stabilisation of the price of salt of this quality at a level which represents a fair selling price then a double purpose might be achieved.

*NOTE.—The Committee agree with the Tariff Board that Aden should, under existing circumstances, be regarded as part of India for this purpose.

That is to say :

- A. On the one hand Indian producers being assured a steady price at a level which gives a fair margin of profit over the cost of production would have an assured basis on which to develop Indian sources of production, and to continue manufacture without fear of cut-throat competition by foreign manufacturers, and
- B. On the other hand the consumer would be assured of salt at a fair price and be protected against the danger of the formation of rings and profiteering.

3. The Committee have carefully considered the proposals of the Tariff Board for the final establishment of a marketing board. They consider that there may be strong arguments in favour of the establishment of such a board which are dealt with more fully in a subsequent paragraph, but in agreement with the Tariff Board they recognise that this is a measure requiring very careful preliminary study and the construction of a complicated organisation which cannot be accomplished in the immediate future, and that some interim measures may be necessary.

4. The Committee have therefore considered the proposal of the Tariff Board for the interim measure of assumption by the Government of the control of imported salt (*cf.* para. 101, Tariff Board Report). They feel, however, that this is a measure which might have unforeseen reactions and which involves the necessity of preparation and thought almost to the same extent as the final scheme of a marketing board. They consider, moreover, that it might involve the Government in unknown but possibly very heavy liabilities; while they cannot leave out of account the representations which have been received from many quarters against this proposal.

5. On the other hand the Committee consider that there is an urgent need for some interim or emergency measure. Since the report of the Tariff Board was published the urgency of taking steps to secure purpose A referred to in paragraph 2 above has greatly increased. The price of Red Sea salt which was about Rs. 53 per 100 maunds *ex-ship* Calcutta when the Tariff Board wrote (Report paragraph 79) is now in the neighbourhood of Rs. 36 per 100 maunds.

6. In view of these developments the Committee consider that there is a real danger that some of the Indian producers may be forced out of business, and they believe that there is a definite and strong public demand that immediate action should be taken to prevent this. The Committee have therefore directed their attention to devising some form of emergency action simpler than that of Government control.

7. The Committee therefore recommend the following scheme :

- (a) That an additional duty of annas 4 pies 6 per maund on all salt, Indian or foreign, imported by sea into British India should be immediately imposed.
- (b) That the Executive should have power to increase this duty from time to time by amounts up to a total of 1 anna per maund if at any time the price of foreign imported salt should fall below its present level, the object being to adjust the price of such salt *plus* duty as nearly as possible to the level of the fair selling price as defined by the Tariff Board.
- (c) That a rebate equal to the additional duty should be granted on imported Indian salt on the producer's undertaking to deliver a stipulated quantity of salt to the Government (or such smaller quantity as might be requisitioned) at any time at the fair selling-price fixed by the Tariff Board.

8. Taking the present price at Rs. 36 per 100 maunds *ex-ship* Calcutta a duty of annas 4 pies 6 per maund would raise the price by Rs. 28-2-0 per 100 maunds. It would then stand at Rs. 64-2-0 per 100 maunds *ex-ship*. The Tariff Board considered that the control agency should buy at Rs. 63-11-0 per 100 maunds *ex-ship*. The effect of a duty of annas 4 pies 6 per maund is thus to raise the price realised by the Indian producer to a figure very slightly in excess of what the Tariff Board regarded as reasonable. This would afford to the indigenous industry the measure of protection contemplated by the Tariff Board.

As regards protection of the consumers against an undue enhancement of the price to them, that would, it is hoped, be secured by the Government's power to buy salt at the stipulated standard prices. If this expedient failed to keep the price of salt at a reasonable level the additional duty on imported salt might have to be reduced.

9. This scheme would be free from two serious objections to which the Tariff Board's scheme is open. The Government would not be exposed to the risk of having to buy foreign salt at an exorbitant price and sell it at a loss, and there would not be the same interference with the free play of competition as between the various possible sources of Indian manufacture and in this way there would be avoided any tendency to stereotype existing conditions and to discourage the development of fresh indigenous sources of supply. We recommend that the scheme should be regarded as an interim measure only and that in the meanwhile energetic steps should be taken :

- (a) to explore and encourage the development of Indian sources of supply,

- (b) to study the Tariff Board's final scheme for the establishment of a Marketing Board.

As to the latter our view is that it would be of little benefit to the consumer unless its scope were extended so as to include the control of retail distribution and prices. The next step, therefore, is the investigation, in consultation with Local Governments, of the practicability of such control, including possibly such experimental measures as the opening of model shops selling salt of standard quality and at standardised prices in selected areas.

10. We have finally to consider the application of the proceeds of the additional import duty which may be collected during the operation of the interim or emergency scheme which we have proposed.

As to this we are impressed by the fact that the immediate effect of imposing this duty will be to raise the price of salt to consumers in those areas which now rely on the importation of foreign salt, *viz.*, Bengal, parts of Bihar and Orissa, Assam and Burma.

We recognise that this result is *prima facie* inconsistent with one of the main objects of any action, *viz.*, the protection of the interests of Indian consumers. Such a result could only be justified if it could be regarded as a prelude to developments which would have the ultimate effect of stabilising prices for Indian consumers so that in the long run they might be assured of getting salt on an average over a period of years at prices which would not exceed and might possibly be less than what they could expect under present conditions.

These considerations lead us to the following conclusions :

- (a) The proceeds of the additional duty should not go to benefit the general revenues of the Central Government.
- (b) They should be earmarked primarily for the establishment of a supply of salt at a stabilised and fair level to Indian consumers.
- (c) Subject to (b) there is a strong equitable case for application of the proceeds for the benefit of the special classes of consumers on whom the burden of the immediate effect of increasing prices will fall.

11. Having regard to these considerations we recommend the following arrangements as an immediate measure.

The proceeds of the duty, which at annas 4 pies 6 per maund would amount to about Rs. 34 lakhs, would be earmarked for the following objects :

- (1) The development of certain Northern India sources in the manner recommended by the Salt Survey

Committee (*e.g.*, increase of production at Khewra, geological survey at Pachbadra, etc.).

- (2) The investigation of the possibility of the development of other sources of supply in India, for example in Bengal and Bihar and Orissa and generally on the East Coast, including possibly actual experiments in suitable methods of manufacture, and
- (3) any further measures that might be found necessary in the light of experience to secure the stabilisation of prices, *e.g.*, the establishment of a Marketing Board, and the provision of working capital and reserves for such a Board. Subject to the above, consideration should be given to the distribution of any balance between those Provinces that consume imported salt, and would therefore be bearing the burden imposed by the extra duty.

12. We consider that this Committee should remain in existence and that the whole position should be reviewed by us as early as possible in the light of (a) the experience in the working of the import duty, and (b) the results of the enquiries which we have recommended.

13. In conclusion we wish to emphasise that we consider that the imposition of the differential duty which we have recommended is only justifiable if it will help both to ensure the full development of Indian sources of supply and to maintain stability of prices for the consumers of the salt which is at present imported. We could not have made our recommendation unless we felt that there was at present a danger of the extinction of some of the existing Indian sources of supply and of the resumption of control of prices by foreign producers which in the end might prove very damaging to the Indian consumer.

R. K. SHANMUKHAM CHETTY.

B. DAS.

S. C. SHAHANI.

G. MORGAN.*

S. C. MITRA.

N. N. ANKLESARIA.

HAJI ABDoola HAROON.

L. V. HEATHCOTE.*

C. C. BISWAS.*

GEORGE SCHUSTER.

* Subject to a minute of dissent.

Minutes of Dissent—I.

In the interests of the Bengal consumer I must record my emphatic dissent from the report. When I speak of Bengal, I include the markets of Bihar and Orissa and Assam, which derive their supplies of salt through the port of Calcutta. I feel, Bengal is being sacrificed at the altar of Aden—in the name of the protection of the indigenous salt industry in India. Aden is not India, and even if for certain administrative purposes it may, in existing circumstances, be treated as a part of the Indian Empire, it is not unlikely that in the coming constitutional changes, the position of Aden may be completely changed, and it may be taken over by the Imperial Government, like Gibraltar, as being a key position on the inter-Dominion trade route.

Apart from that, there is no case made out for the protection of Aden, even as a temporary measure. The Tariff Board themselves in their Report (paragraph 65) admit that the salt works at Aden have for many years faced foreign competition unaided, and that no claim for the protection of the industry can be substantiated. Even excluding Aden, they add, assistance on strictly economic grounds cannot be justified. It is not necessary for me to recapitulate the arguments which the Tariff Board have put forward in this connection: all that I need say is that I look in vain in the report of my colleagues for any reply, or even an attempt at a reply, to those arguments.

The Committee take the view that there is urgent need for some emergency measure, and that emergency is supposed to have arisen by reason of the steady drop in the prices of foreign salt in the Calcutta market during the past few months. But I venture to submit that even if emergency action has to be taken, it must be only after a full and thorough investigation of the whole question. Prices were falling at the date the Tariff Board wrote their Report: still Government thought it proper to wait so long, presumably because they were not satisfied that they had sufficient materials in that Report justifying such action. All that has happened since is the inquiry by Sir Chunilal Mehta's Committee as to the possibilities of certain sources of production in India. I am not satisfied that the report of that enquiry is full or adequate and that it gives us all the data on which alone certain conclusions can be based. Admittedly, it does not deal with the cases of all the available centres of production. The case of Bengal or Orissa, for instance, has not been considered. I do not know what led Government to select Sir Chunilal Mehta for this inquiry: if I may say so, he was coming to the work with pre-conceived ideas. As Chairman of the Conference of Salt producers held in Bombay on the 23rd September last, he had sent a telegram to the Government of India, urging emergency action on the lines of the recommendations of the Tariff Board in the interests of the Aden

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manufacturers among others. It would have been much better if the enquiry had been entrusted to some one who was not committed in advance to an acceptance of the Tariff Board's proposals. It seems to me, therefore, that without a full and adequate examination of the whole question, any emergency legislation such as is now proposed is not only unwise but unjust.

I am not much impressed with the proposals which have been put forward. There is no guarantee, so far as I can see, that even with the differential duty proposed, the foreign competitors will not be able to under-sell in the Indian market, if they were really out on a throat-cutting competition, as seems to be assumed without adequate evidence. In that case, the duty will benefit nobody, not even the pet producers of Aden, while it will hit the Bengal consumer, and hit him hard. The Tariff Board have nowhere shown that the imported salt is being sold at present at a price below the cost of production. Then, where is the guarantee that within the protective wall which is being raised, it will not be possible for the Aden manufacturers to cut the throats of the Bengal consumer? I notice that with a view to avoid any such contingency, the Committee make the proposal contained in paragraph 7, clause (c) of their Report, namely, that a rebate equal to the additional duty should be granted on imported India salt, on the producer undertaking to deliver a stipulated quantity to Government at any time at the standardised fair selling price. How far in actual working this will have the desired effect is more than I can say.

Then, there is no assurance that for the next few years at any rate during which period the existing centres of production in India will not and cannot have been sufficiently developed, Bengal will be able to get the salt she is now getting, both as regards quantity and quality. I think it will be agreed that it is not fair to Bengal that she should be forced to consume a quality of salt inferior to what she has been used to.

The protection that is being offered to Aden,—it practically amounts to such,—is in my opinion meaningless. There is nothing to show that as a result of this protection, the industry in question will reach a stage at which it will be able to supply the commodity at a price below that which the foreign producer is now charging.

The Committee state at the end of their report that their proposals are intended to secure the ultimate benefit of the Bengal consumer. By that, I suppose, they mean that their proposals will secure the consumer against the operation of rings and combines on the part of foreign manufacturers to manipulate prices to a level higher than the fair selling price. Whether that is a real or a near danger, I do not know, but it is not shown how by the mere imposition of a protective duty, without any measures to control retail prices, speculation can be wholly prevented or the

consumer effectively protected against rings and combines on the part of a different class of people. It is to be seen that the Committee have neither suggested nor formulated any scheme for the control of retail prices,—probably for the very good reason that such a scheme is well nigh impossible.

I cannot too strongly emphasise the injustice that is being done to Bengal. This impost is being levied on Bengal, notwithstanding the unanimous protests of all concerned in Bengal, official and non-official. I desire to refer, in particular, to the representations of the Government of Bengal and of the Bengal National Chamber of Commerce. The Committee, I am persuaded, also felt the injustice involved in their proposals. That explains their anxiety to add in their report clause (c) in paragraph 10, where they say that “there is a strong equitable case for application of the proceeds (of the new duty) for the benefit of the special classes of consumers on whom the burden of the immediate effect of increasing prices will fall.” This is, however, poor comfort to the consumer in Bengal, for it seems to be almost certain that nothing will actually come out of this pious expression of opinion. Government will not be willing to admit the implications involved in this statement.

If Government are really anxious to help the salt industry in India, let them take off the existing excise duty, and let them render all possible facilities to the indigenous producer, but instead of doing this, it seems to be cruel mockery for them to try and dive still deeper into the pockets of the poor consumer in the name of securing his ultimate good.

The Bengal consumer is now paying less than Rs. 40 for 100 maunds of fine white crushed salt. To achieve his ultimate benefit in an uncertain future, he must forsooth now pay over Rs. 64. That sums up the position in a nutshell.

C. C. BISWAS.

The 12th March 1931.

I agree with exception of last para. but one.

G. MORGAN.

II.

I have signed the above report subject to the reservations which I make as follows:

I agree that a procedure on the lines recommended by this Committee would be justified in the present circumstances of cut-throat competition between foreign suppliers of salt to the

Calcutta market, if it is quite certain that the production of suitable qualities of indigenous salt can be increased to the extent necessary to take care of the whole demand of the market at a price very closely approximating to the Tariff Board's fair selling prices.

From the brief perusal of the Salt Survey Committee's report, which, alone, the short time at our disposal made possible, I am by no means convinced that it will be possible to achieve the optimistic estimates, more particularly as to the cost of supply, upon the strength of which our Report has been framed.

On the contrary, I see a very serious danger of the large benefit which a protective duty of $4\frac{1}{2}$ annas per maund will give to the Aden manufacturers being utilised so to strengthen the position of these manufacturers that the full development of continental India's production will be retarded.

If in the future constitution of India, Aden does not remain within the Indian Empire, so that Aden salt becomes liable to the protective duty and loses the rebate, it will only be possible to continue to stabilise the price of salt at "the fair selling price" at considerable expense to general revenues.

L. V. HEATHCOTE.

THE GENERAL BUDGET—LIST OF DEMANDS—contd.

DEMAND NO. 25—INTEREST ON DEBT AND REDUCTION OR AVOIDANCE OF DEBT—contd.

Debt Position—contd.

Diwan Bahadur A. Ramaswami Mudaliar: Sir, I shall be very brief in the remarks that I shall address to this House on this motion. I should like to point out in the first place that there is a good deal of misunderstanding regarding the proposed statutory Railway Board and the suggestion that was made in the Government of India's despatch and the Simon Commission's Report which we had the privilege of reading at the Round Table Conference. There was no discussion on the subject, and I want to assure Honourable Members about it. There was no discussion on the subject in the Federal Structure Committee, but we found, in the final stages when the Report was actually placed before us, a sentence relating to the constitution of such a Board. At that time the Right Honourable Srinivasa Sastri was a member of the Committee. He and various other members questioned the propriety of bringing up a proposal that had not been discussed at any stage by the Federal Structure Committee. I understand that the full proceedings of this particular Committee are going to be published by His Majesty's Government and when that book is out, my statement will be substantiated. At a later stage when this Report

came up for the consideration of the Plenary Session, my friend Mr. Jayakar said:

"In this connection the Sub-Committee take note of the proposal that a statutory railway authority should be established and are of opinion that this should be done. I do not quite see what the statutory railway authority means. If the intention is to give a statutory basis of what is called the Railway Board at the present moment, I note my dissent from that proposal, Sir. I have already said that in my speech before the sub-committee, but I just want to state briefly what my point is. There is at present a Railway Board established which has no statutory basis. If the intention is to give a trial period of continuance to that Board, with perfect freedom to the Railway Minister to control that Board and to make arrangements with regard to its constitution, functions and powers, I have no objection to a further continuance of that Board; but if the proposal is to give a statutory basis to that Board, then you will kindly note my point of dissent on that."

Mr. Jinnah pursued the matter and said:

"I just want to say a word. I have no objection whatever to the expert examination on this question, but I am not to be taken to commit myself to agreeing to a statutory Railway Board being established. I have no objection to the examination and I reserve my opinion till after the result of the examination as to whether it should be made a statutory authority or not."

I should not have referred to these matters but for the fact that on perusing the former proceedings of this House, I found the Leader of the House stating that this matter had been considered by the Federal Structure Committee's Report and that it was inaccurate to say that this question was not fully discussed there. I am here as a member of that Committee to say that it was not discussed, that for the first time in the Report of Lord Sankey we found a suggestion about the statutory Board and later on member after member in the Federal Structure Committee entered his caveat against the suggestion and later this matter was further pursued in the Plenary Session.

The Honourable Sir George Rainy (Member for Commerce and Railways): Will my Honourable friend give me the reference? I do not remember making the statement he attributes to me and in that form?

Diwan Bahadur A. Ramaswami Mudaliar: All I had in mind in any case was that single sentence in the Report of the Federal Structure Committee. I was not basing my remarks on anything more than that. I did not charge the Leader of the House with any misstatement of fact. All I stated was that the Honourable the Leader of the House was under the impression from the sentence in the Federal Structure Committee's Report that it ought to have been fully considered by that Committee. I am here as a member of that Committee to say that in point of fact it was not done. I believe the reference is to the reply which my Honourable friend gave to Mr. Neogy when he moved his cut with reference to this question on the Railway Budget. I therefore want to assure my Honourable friends, who seem to be perturbed over the suggestion of the statutory Board, that this has not been considered, neither finally nor even in the preliminary stages, and that therefore there is no room for any of the misapprehensions that are entertained.

With reference to the question of Provincial Governments borrowing loans, I only want to say that this question was to a very slight extent gone into in the deliberations of the Round Table Conference. At the present moment the Provincial Governments are in a position to raise loans on their own securities. They need not always come to the Government of India and wait for the distribution of amounts from the Government of India raised by them by way of loan. They could raise it on

[Diwan Bahadur A. Ramaswami Mudaliar.]

their own securities provided they satisfy certain conditions and that the loan to be raised is sanctioned by the Government of India or the Secretary of State. If that is the position under a unitary government, it follows obviously that under a federal government, with fairly substantial autonomy to the provinces, the Provincial Governments cannot be in a worse position than they are today and that therefore the Provincial Governments will have the authority to raise these loans. Of course it must be a matter of adjustment between the Federal Government and the Provincial Government as to how far this latitude will continue uncontrolled by the Federal Government. It has to be remembered that Provincial Governments cannot compete with the Federal Government in the money market in raising these loans or with each other, so as to disturb the entire conditions under which loans can be raised, but these are matters of negotiation and adjustment. I venture to think, without going too far into the future, that the provincial Finance Ministers and the Federal Finance Minister will hold conferences annually before they decide on their respective policies with reference to the loans, but I want at once to enter a caveat against the position that my friend Mr. Das has taken up. He seems to be an out and out advocate of the unitary system of government. Provincial Governments cannot be spoon-fed in this matter, as in many other matters hereafter. We have definitely gone in for a stage of federation. Whether it is an all-India federation or a British India federation, I venture to think that Mr. Das will find himself in a very small minority in putting forward his views on an unitary and paternal form of government in the centre trying to control and curb the activities of provincial governments in these matters.

Mr. M. Maswood Ahmad: Sir, dealing with the public debts, first of all we must see what are the broad principles of the public debts of a country. We may say that the public debt of a country is incurred to meet the part of State expenditure which cannot be met out of normal revenues and is so imperative that it cannot or should not be postponed to a later date or the debt is incurred for the good of the country and for the good of the people of the country.

Sir, the question of a public debt is very serious. Waste of public money is possible by many means but the point most significant in this connection is that whereas wastage of revenue affects one generation, the wastage of the proceeds of a public loan is a burden on generations yet unborn.

Sir, the public debt was unknown in India before the days of the East India Company, i.e., in ancient India. However worse the Muhammadan period or the Hindu period was, there was no public debt in those days. When the reign of the East India Company ended in 1858, the Indian taxpayers were left with a burden of nearly one hundred million sterling of public debts. All these debts were not for India but for the benefit of the Company. All the debts were incurred for war purposes, for conquering India, for ruining trade and skill and for ruining the ancient civilisation of India.

In 1792, the total Indian debt was 7 million pounds and in 1856 it had risen to 69½ million pounds. Was it not fair, Sir, that most of these items ought to have been borne by the Company itself?

Then, Sir, came the Mutiny, bringing the total debt beyond £100 million. The compensation paid to the East India Company for its stock was about £12 million. The tragedy of the situation was that, while India paid for the property, the ownership went to Great Britain. This was the dawn of the day. Then, again, Sir, the cost of the Abyssinian War and the Chinese War was similarly debited to India, and these together with other items of expenditure raised the total of Indian debts to £212 million at the close of the last century.

If I remember correctly, Sir, India contributed to Great Britain about £100 million at the time of the Great War. As there was no surplus money to contribute so the major portion of it was put on the shoulders of the public in the shape of the public debt. In the post-war period the new debt incurred was £200 million in the last decade. The increased civil and military expenditure, I submit, Sir, is solely responsible for this debt.

In short, Sir, at the end of 1929-30 we have reached the net debt of 63.54 crores, and it has been estimated in the present Budget to be Rs. 28.39 crores. But, Sir, while it was estimated in 1930-31 to be Rs. 25.60 crores, the revised estimate shows Rs. 53.12 crores. Sir, it is a very great trouble for all of us that unreliable figures are always estimated.

From this history of the Indian public debt, it is quite clear that wars in India and outside India are only responsible for the public debts. May I ask, Sir, whether these wars were for the benefit of India, or were for the benefit of some other country and for the purpose of quenching the thirst of the politicians of other countries? Sir, the Government of India have two kinds of debt—one under the rupee obligations and the other in the shape of sterling obligations, and again these two heads can be subdivided into many heads, of which I want to deal at this stage with two heads mainly, i.e., the long-term debts, and the short-term debt which is generally called Treasury Bills. Sir, first dealing with the last item, i.e., the Treasury Bills, I can say that the Government of India have also attempted to utilise Treasury Bills as a regulator of the money market and as a weapon in credit-restricting operations. At this stage I do not want to say more than this, that the Government's Treasury Bill policy in regard to the regulation of the money market and credit has not been either successful or beneficial in its results, has been responsible for much bitter criticism in financial circles, and has resulted in real misunderstanding between the Government and the bankers. And last, but by no means least, I emphasize the need for the total reconsideration of the Treasury Bills policy. The questions involved in Treasury Bills merit a close attention. The Government have utilised Treasury Bills not only for the purpose of replenishing their cash balances, but also as a regulator of the money market. In this connection I would like to draw attention to the authoritative comments contained in an article which appeared in *The Banker of London* in its issue of October, 1929. The writer of the article comes to the conclusion that:

"In so far as the issue of Treasury Bills is concerned, Government would be well advised to restrict them to their recognised purpose, namely, to bridge gaps between the revenue seasons during a financial year, and not to attempt to utilise them as a dynamic lever for currency and exchange control."

[Mr. M. Maswood Ahmad.]

Sir, let me say that no other operation of the Government has evoked such bitter criticism and antagonised the bankers so completely as the sales of Treasury Bills at rates which have been fully one per cent. higher than the open market rates quoted by banks for deposits. I am one of those who believe, Sir, that Treasury Bills constitute a necessary and useful instrument in the money market, provided the Treasury Bills policy is correct and scientific. And a Treasury Bills policy can be said to be correct and scientific only if Treasury Bills are issued at rates which do not impair Government's credit nor divert banks' deposits, nor betray a loss of control on the part of the Government over the situation. Further, steps should be taken to create a free market in Treasury Bills so that they can change hands freely during the period of their currency. In short, Sir, Treasury Bills must be made a real instrument of mobility, which they are in theory supposed to be.

Before I conclude, Sir, I would like to discuss, as briefly as possible, the ethics and economics of foreign loans. If India was under no political obligation to Britain, the problem of foreign loans would present no great difficulties. The peculiarity of India's borrowing in the London market is that there is always a suspicion, not unjustified, that England, by virtue of her political position, takes undue advantage of India's dependence on her, both in regard to the rate of interest which the latter is made to pay on her loans, and also in regard to the utilisation of the proceeds of such loans for the purchase of British materials, whether the prices of these materials are competitive or not, in relation to the materials manufactured by, or available in, other countries. It is this suspicion, Sir, which has invested the discussion on the foreign loans of India with a great degree of rancour and bitterness.

Sir, there are other factors which also complicate the position in regard to foreign loans. They are (1) exchange exigencies, that is, there are occasions when India has to borrow money in London not because she is short of funds, but because the process of remittance from India to London is made difficult. In other words, the obligation which the Government have assumed in regard to the ratio—a ratio which was installed against the unanimous protest of the Indian public—makes them borrow monies in London, even though their cash position may not require such borrowings; and (2) the financial interests in London have by no means been friendly to the political aspirations of India, and they have been inclined to think that, because they have lent monies to India, the only safety for that money is that the present system of administration must continue for ever; and whenever there is any strong movement expressive of the political aspirations and ideals of the nation, the London market has chosen to become panicky, disseminating alarmist reports about conditions in India, and utilising those occasions for screwing out of us inordinate rates of interest on such borrowings as had to be made. If the policy of borrowing abroad is to be continued,

Mr. President: Order, order. The Honourable Member's time is up.

Dr. Ziauddin Ahmad: Sir, I do not like to decide such an important question as the public debt after a casual discussion on a token cut. But I take this opportunity to bring to the notice of the Honourable the Finance Member two very important points. The first is that the non-official

Members are very much dissatisfied with the present policy of the Government about the debt, and though we may not be able to find a satisfactory solution just at present, it is possible for the Finance Member to take the public into his confidence, at least by referring the matter to the Finance Committee or by bringing the matter before the Assembly by means of a Resolution. The second point to which attention has been drawn by my friend, Mr. B. Das, is that the situation with regard to the loans is very disquieting. The Government have increased this year our loans by Rs. 24 crores, and the one thing which is really most disquieting is that they have increased their sterling loans by Rs. 29 crores. It really means that they have transferred part of the rupee loan to the sterling loan. That, Sir, is very undesirable. I think it would be sound financial policy to set aside something in the Reserve Fund in order to reduce the expenditure on unproductive loans, that is, loans which do not yield any income. The last thing probably I may mention is that we have invested a substantial amount in our commercial concerns. It is highly desirable that we should try to administer them well so as to get more income out of our commercial concerns.

The Honourable Sir George Schuster: Sir, I think it is obvious that I could not deal adequately with all the points that have been raised in this debate in a ten-minute speech. but I will only attempt to go over the most important issues that have been raised, shortly. The last speaker has called my attention to what he describes as two points of great importance, and he has suggested that I should take Honourable Members into my confidence on one of these questions. Sir, I am at a loss to know exactly what he means by that. I have always been perfectly frank in this House as to our position and as to our policy both in the preparation of the statements that are put before the House and in any speeches that I have had the opportunity to make. But if it is the wish of this House more fully to discuss this subject, then obviously the proper course is that it should be debated on the floor of this House.

Then, Sir, I must make one or two remarks about what was said by the last speaker but one. He said that the policy of borrowing in London was objected to in this country because of suspicions which existed that British interests were thereby benefited. I think he suggested, first of all, that British investors were given opportunities to get very good investments at a higher rate of interest than was really justifiable and also that the proceeds of the loans were applied in the purchase of British goods. Both those suspicions or both those charges are absolutely and entirely without any foundation. Honourable Members are perfectly well aware of the rules which now exist as regards the purchase of materials, and that no preference is given to British manufacturers in that respect. As regards the question of unduly high rates of interest, I should like to speak at somewhat greater length. This is a subject on which I can claim to speak with some authority. When I talk on Indian affairs, I always feel some diffidence because my experience in India has been very short. But this question of the terms for borrowing and of finance in the general sense is a subject of which I have had life-long experience. I can tell the Honourable Member that it is a privilege for us to have the position which we have in the London market. The benefit is really on the side of India. It is often suggested that we are not free to borrow where we like and that if we could go to America for our loans we could borrow on more favourable terms. If any Honourable

[Sir George Schuster.]

Member thinks there is anything in that suggestion, I would invite him to consider the experience of Australia, a country which tried that expedient. Not only did they have to pay much more for their loan by going to New York but, as a matter of fact, what happened was that practically immediately the whole of that loan found its way to the London market. That is what happens in these cases. You can go to New York and borrow money, but New York does not always absorb the loans and the borrower does not always benefit. Honourable Members would find it interesting to examine the rates for borrowing in New York by foreign countries and then to compare with them the rates at which money can be raised in England. There have in the last years been many examples of loans which have been floated simultaneously in London and New York, and almost on every occasion the percentage rate of the New York issue has had to be fixed substantially higher than the percentage rate on the London issue. I remember, speaking offhand, amongst other instances, an Austrian loan, which was raised on a 6 per cent. basis in London but which had to be brought out on a 7 per cent. basis in New York, and so on. This is a question of fact which Honourable Members can verify for themselves. London has long been the market to which most foreign borrowers have gone, and British investors have long been accustomed to invest their money in foreign loans. In mentioning this, I am really touching on a subject of very wide economic significance; for one of the reasons for the present economic difficulties of the world is that, in the years since the war, America has become really the capitalist country of the world, a position which was formerly occupied by England, but that America does not invest her money abroad in the way in which England was accustomed to do. I think it is generally recognised now in America as well as in the rest of the world that if America wants to encourage a recovery in the world trade, she must become more ready to lend her money to foreign countries. Sir, I must apologise for having been drawn outside my subject in this way, but I do feel strongly on this point, especially when it is suggested that the British market obtains an undue advantage from the fact that Indian loans are floated there. It will be a very bad day for India when she ceases to occupy the privileged position which she has occupied till now in the London investment market. I have been intimately connected with all the recent operations for raising loans in London, and I can assure Honourable Members that if we had not had the very active and sympathetic support of the Bank of England among financial circles in London, we should have been in an extremely difficult position during these last months, which have been a period of uncertainty when the ordinary investor did not know quite what to expect of the future in India.

Sir, I will say no more on this subject but turn to matters more germane to the motion moved by my Honourable friend Mr. Das. He has raised the whole of that very wide question of the position of the public debt, and from what he said I must conclude that he fears that the public debt position is unfavourable or at least is growing less favourable than it recently has been. On the other hand I was glad to note from the speech of the Deputy President, who followed him, that he does not take a pessimistic view of the national debt position in India.

and I heartily endorse what he said in that respect. The position as regards the national debt in India is, as I have many times said, an extraordinarily favourable one. There is really no country in the world to-day which has such a favourable position as regards its national debt. It is quite unique that, out of a debt of nearly 1,200 crores, less than 200 crores represent non-productive investment of money. I only hope that India in the future will be able to maintain this favourable position. But, Sir, there is some force in what was said by the Honourable the Mover of this cut. There is force in it to this extent that, I think, we are not at a stage where there are danger signals in front of us. I think if Honourable Members have read my Budget Speeches carefully they will realize that I have taken that view for the last two years. In my very first Budget speech I pointed out that capital expenditure, however good it was, however beneficial it might be, could not safely be allowed to exceed the rate at which the country could borrow. I also pointed out that in the preceding years capital expenditure had been going on at a considerably faster rate than the amount by which we had been increasing our own fixed capital; that in fact, we had been meeting capital expenditure by drawing on our reserves. I pointed out that we could not go on with that process and that in future all capital expenditure would have to be balanced by borrowings. Therefore, I indicated that we should have carefully to consider our position, and in particular whether our credit could stand it if we were to go on taking 30 crores per annum for construction of new railways. I came to the conclusion that we could not do so, and looking back I can only feel that I was right. In fact I was much more right than I thought I was at the time; for it has proved necessary to restrict our capital expenditure on railways much more drastically than even I at that time thought would be necessary.

3 P. M. We have, as this House knows, brought down the railway capital expenditure last year to about 16 crores, and this year to about 11 crores, and I am afraid that as things are at present, we shall have to go very slow in that respect in future. We have arranged the position in such a way now that all the current projects are running off and we shall have a close control of the capital expenditure position. My Honourable friend, Mr. Das, has said, "We must ask ourselves the question whether the railway undertaking is really a paying proposition". Well, I think in some ways, Honourable Members are accustomed to think and talk in rather misleading terms on the railway position. It has become customary to talk of the railways as though they were running at a loss. That is an entirely incorrect view of the situation, because when Honourable Members talk about a loss, they really only mean that there may be some slight deficit in making up the fixed charges which the railways have to pay to the Government. But there are very few railways in the world that have been completely financed by what I may describe as debenture capital. Most railways raise some of their money on debentures, but they also raise a large part in the form of ordinary capital. Of course, if they cannot meet their debenture charges, then they are running at a loss. But if they have to reduce the dividends on their ordinary share capital from 5 per cent., say to 4 per cent or even down to nothing, you cannot really say that those railways are running at a loss. The railways of the Government of India are paying at an average—I have not the exact figure in my head at present—something like 5 per cent. on every penny invested by the Government. Even if they can do no more than that, that is in itself not an unsatisfactory position. On

[Sir George Schuster.]

the other hand we have a new position to face now. Obviously we must proceed very cautiously in framing a programme for undertaking further work when the cost at which new money can be raised is getting up to the sort of levels that we have to pay at present. I venture to say that there is no country in the world which can safely count on being able to earn—really earn—6 per cent net profit on new lines, at any rate for the first few years of construction. I venture further to say that there are very few countries in the world which offer such favourable opportunities for building paying branch lines as India does. But even India must think very carefully before she undertakes capital expenditure on railways on a six per cent. basis. That, Sir, is really my answer to Mr. Das,—the position is entirely sound, but there are danger signals before us and at present we have got to go slow.

Then, I would refer to what was said by my Honourable friend the Deputy President, who I think suggested that I had failed to carry out an undertaking given by my predecessor, an undertaking to consider the provision for reduction and avoidance of debt, which was due for consideration in the course of the year which is closing. May I read to my Honourable friend a passage from my Budget speech of last year. I said:

“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.”

I continue to read from my Budget speech of last year and this brings me to the second point which was raised by my Honourable friend:

“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 1½ 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.”

That, Sir, was my position. I tried to carry out the arrangement to discuss it with non-official Members of this House, but I am afraid, as very

often happens, the leaders of the various parties were not greatly interested in the subject when the time came up for consideration, which . . .

Diwan Bahadur T. Rangachariar: I hope the Honourable Member is not referring to the present leaders, but only to the past leaders.

The Honourable Sir George Schuster: That, Sir, is, I think, obvious from what I have said, but if I may take up my Honourable friend's interruption I will say that if the present leaders are interested in this subject, I shall be only too glad to discuss it with them. Our trouble on these occasions is to find people who really will come in and give us a chance of sharing our responsibility with Honourable Members opposite. I think that what I have said indicates that I have done my best to give effect to the original undertaking on this subject. But I would like to say something further. If I had thought that there really was a substantial case for review, I should not have been put off by difficulties of the kind which I have mentioned. It is only because I think the present arrangement is in the present circumstances a satisfactory one that I have continued without any drastic revision. I am not quite sure what is in my Honourable friend's mind when he suggests that it should be revised. After all it is a fairly simple matter and the only question is as to whether the provision is too high or too low. I doubt if he will suggest that it is too low and that it ought to be put up. Certainly in the present circumstances, it would be extremely difficult to increase it. On the other hand, I should be very reluctant to consider a revision of the provision just at present on the basis that it is too high, and I have a special reason for saying that. Even if it might be theoretically too high as a permanent provision just at the present moment when we have concluded a year with an uncovered deficit and when, as far as the railway contribution is concerned, we have had to rely on very heavy drafts from railway reserves, I think it would be not merely financially wrong, but it would be financial madness to reduce this provision. Therefore, as a practical issue, I really feel no doubt that the best thing is to continue as we are. Honourable Members are perfectly well aware how outsiders regard with suspicion any thing that can be looked upon as a “raid” on a sinking fund provision. I think it would be most disastrous for India now to adopt any course which would be interpreted in this way. Sir, I do not think I need say anything more on that subject.

Then, lastly there was a point raised by my Honourable friend Mr. Mudaliar about provincial borrowing and the establishment of a Statutory Board for railways. I do not wish to deal elaborately with these subjects today. I regard them rather as business arrangements which have to be looked at from a business point of view. So far as provincial borrowing is concerned, I think the one thing I can say is that whether you are to limit the freedom of the provinces or not, there certainly ought, in the common interest, to be some co-ordination of policy. (Hear, hear.) After all whether you are to have a unitary Government or not, the alternative is a Federal Government, and the essence of federal government is that the various parties to the federation recognise that for certain purposes common interests should prevail over individual interests and that they should voluntarily come together to consider the co-ordination of their individual interests. That, I think, is as far as it is necessary to go on that subject today. It is a matter which will be fully

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discussed in the future and the future arrangements, whatever they are, must, under a federal constitution, depend on the voluntary assent of the constituent States and Provinces. Sir, I must apologise for having taken so much of the time of the House, but the matter raised is of great importance and is difficult to deal with in a short time.

Mr. B. Das: Sir, I feel—and I can speak for this part of the House—that we are indebted to the Honourable the Finance Member for going so thoroughly into the details about the debt position of India. Not that I felt satisfied with his statement that the railways are giving 5 per cent. on capital invested. I do not think the railways are giving 5 per cent., but they are giving much less, 4·5 or something, and some of the railways are not earning even 2 per cent. That was what I was drawing his attention to. And when a man borrows money to invest it in some industrial concern, he must at least get back the interest at which the money is borrowed. Of course, I understand that the present Finance Member has that point in view, and I hope future Finance Members will take note of that before they run into new extensions on railways.

Sir, I am very glad that my Honourable friend Mr. Mudaliar made a statement on behalf of the Round Table-wallas.

Mr. President: Order, order. I do not wish the discussion on this issue to be taken to the Round Table Conference. I allowed Mr. Mudaliar to refer to it by way of a personal explanation, I do not wish that subject to be further discussed in connection with this motion.

Mr. B. Das: I was going to say that I feel greatly satisfied with his observations. Mr. Mudaliar made one pertinent observation as to the provincial borrowing policy and that was also alluded to by the Finance Member. My personal view is that even with a Federal Government in India consisting of the federated States, the borrowing policy and the finances would be controlled by the Central Government, and whatever may be the residual power, that will be in the hand of the Government of India and not with the provinces. Whatever may happen in future I cannot anticipate, but the present borrowing policy of the Provincial Governments has not given us any confidence that they are spending that money profitably.

Sir, I am very glad that my Honourable friend Mr. Chetty took part in this debate. He brought in the question of the unproductive debts, but he did not go to their origin. My Honourable friend Mr. Maswood Ahmad discussed it a little and I think my Honourable friend Mr. Chetty discussed it a little and he thought that the money we are putting in the sinking fund is very high. I think if the Round Table Conference is going to settle this thing, the time will soon come when the debt position of India will be settled by reference to arbitration. As Sir Tej Bahadur Sapru said in the Round Table Conference and Mahatma Gandhi has said so often in his statements in the Indian Press, the debt position must be revised, and any debt that has been incurred by the British Government not for the good of India but for the use of England should be allocated to England. I do not know whether my friend Mr. Chetty had that point in his mind. I could not elucidate my point when I spoke first, but I think, from that consideration the charges to the sinking fund ought to be low.

Sir, it is at times very nice on the part of the Members of the Treasury Benches to say that they occasionally consult leaders of parties over certain important issues. But they conveniently forget, and the leaders also manage conveniently to forget, these things. The proper thing to do, when such important issues like the debt position are to be considered, is for the Finance Member at the beginning of every session or every year or every term of the Assembly to bring out a standing committee of those who are interested in the debt position, say four or five people, and discuss from time to time the position with them. That will help much to clear the tangle and that will not need a full-dress debate on the floor of this House.

Sir, I think that as a result of today's discussion, much useful information has been obtained. I hope it will be useful to the present Finance Member and to those who will follow him. I do not want to press my motion out of vindictiveness, and as some useful purpose has been served, I beg leave of the House to withdraw the motion.

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

Mr. President: The question is:

"That a sum not exceeding Rs. 3,27,09,000 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, 1932, in respect of 'Interest on Debt and Reduction or Avoidance of Debt'."

The motion was adopted.

DEMAND No. 26—INTEREST ON MISCELLANEOUS OBLIGATIONS.

The Honourable Sir George Schuster: Sir, I beg to move:

"That a sum not exceeding Rs. 45,48,000 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, 1932, in respect of 'Interest on Miscellaneous Obligations'."

Policy and Principle underlying expenditure for Interest on Miscellaneous Obligations.

Mr. B. Das: Sir, I beg to move:

"That the Demand under the head 'Interest on Miscellaneous Obligations' be reduced by Rs. 100."

I have given notice of this motion to discuss the policy and principle underlying the expenditure under this Demand No. 26. I have never followed the exact allotment under this head. If I turn to page 135 of the Demands for Grants, I find under A. 1—"Interest on loans from the late King of Oudh". And I find the interest charges vary every year. If it were a non-productive debt then I thought the sinking fund would go down every year and part of the interest charges should be reduced every year. How is it that it varies every year? Then I find that most of this expenditure is marked "Non-voted", and part of it is marked "Voted". If non-voted expenditure means obligatory expenditure and that the State must bear it as a first charge, what is the use of marking a part of the

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expenditure as "voted"? And why are the Treasury Benches so suspicious of this side that we cannot even take up the responsibility of sanctioning the payment of interest charges, and why are they marked "Non-voted"? What is the policy in marking the greater portion of Demand No. 26 and also of Demand No. 25 as non-voted and marking a very small portion of it as voted? Of course I find in Demand No. 26 a sum of Rs. 45 lakhs odd going as payment to Post Office for Savings Bank and Cash Certificate work, and therefore it is considered as voted, but I would like to have an explanation from him. I would also like to know how much of these Miscellaneous Obligations are non-productive debt, and how much of them are productive debt, and also why the interest on Uncovenanted Service Family Pension Funds and Provident Funds are shown under "non-voted".

The Honourable Sir George Schuster: Sir, as far as I could make out, my Honourable friend has raised a very important question of our policy in paying interest on loans from the late King of Oudh. That is one point as far as I could understand it; and the other was that he requires some explanation of the distinction between voted and non-voted expenditure. I am afraid that among the 240 motions which I had prepared for in coming here I have not investigated with any very great care the policy underlying the question of the loans from the late King of Oudh. That is a very ancient subject and this particular item has figured in the Budget of the Government of India for a very long time. I think my Honourable friend was puzzled at the slight differences in the amounts from year to year. That I am told is because the annual interest is not made up in steps according to our financial year but is made out according to some varying calendar year. I am really not well informed on the subject; but the differences are due to variations in dates between which interest is calculated. The interest runs on at the same rate from year to year; but if my Honourable friend is really interested in the subject I shall be glad to send him a communication later giving him the exact explanations.

As regards the distinction between voted and non-voted expenditure, the voted expenditure represents charges which are not interest charges proper. Interest charges proper, interest and sinking fund charges on loans under section 67A of the Government of India Act, are non-voted; but there are a number of other sums, inter-departmental charges for interest and charges payable to Governments for the cost of administering Post Office Cash Certificates, and that kind of thing which are included in voted expenditure. On that particular point also, if my Honourable friend wants to have a full and complete account, I shall have great pleasure in furnishing it to him. But I do not think I need take up the time of the House any longer now in dealing with those two points, because I am sure it is the wish of the Honourable Members to get on to cuts raising real questions of policy and this after all is not a question of policy; it is merely a matter of information which my Honourable friend wants.

Mr. B. Das: I ask the leave of the House to withdraw my motion.

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

Mr. S. C. Shahani: It is with peculiar pleasure that I rise to propose the cut which stands in my name

An Honourable Member: We have not yet reached the next Demand.

Mr. S. C. Shahani: I am very sorry, Sir.

Mr. President: The question is:

"That a sum not exceeding Rs. 45,48,000 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, 1932, in respect of 'Interest on Miscellaneous Obligations'."

The motion was adopted.

DEMAND No. 27—STAFF, HOUSEHOLD AND ALLOWANCES OF THE GOVERNOR GENERAL.

The Honourable Sir George Schuster: Sir, I move:

"That a sum not exceeding Rs. 4,06,000 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, 1932, in respect of 'Staff, Household and Allowances of the Governor General'."

Room for considerable reduction.

Mr. S. C. Shahani: Sir, the House has I hope excused by impatience to move the cut which I have proposed in connection with the expenses to be defrayed in the Viceregal House. As I said, it is with peculiar pleasure that I move this cut.† My cut is intended to show that there is considerable room for economy under this head. Rs. 15,26,000 and more to be spent annually upon the staff, household and allowances of the Governor General, I think, is much too heavy. If I should be required to adduce evidence to establish the correctness of this statement, I would only refer to what happened the other day when Mahatma Gandhi, for the first time after his release, went over to the Viceregal Lodge. Quite an army of servants came out to have the Mahatma's darshan. Some of those that were with Mahatma Gandhi told me that they were staggered by the number of servants that emerged from the Viceregal House. I am not unmindful of the necessity of a large number of servants in the Viceregal Lodge, looking to the colossal nature of the House designed for the Viceroy. I think it was a Finance Member, not the present one, who in the course of a private conversation once remarked that the houses that were built in Delhi really involved a colossal waste; and I have always wondered why this colossal waste has been permitted. In the Federal Government I can well imagine that some of these colossal buildings in New Delhi would be devoted to education, and other nation-building purposes. They would be a worthy habitation for educational and such other institutions. Supposing the expenses that have been incurred on mere brick and mortar had been devoted to the promotion of nation-building

† "That the Demand under the head 'Staff, Household and allowances of the Governor General be reduced by Rs. 40,600.'"

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departments, the whole of India would have been metamorphosed. What I am seeking to make out is that the unnecessary expenditure which is being gone in for in the Viceregal Lodge should know some control. The other day when the Railway Budget was under discussion we found it difficult to reach Demand No. 2. Under Demand No. 2, I had noticed that for 8 Government Inspectors with 23 clerks, that is, for 31 persons in all 36 chaprasis were provided for. No doubt, the chaprasis cost only about Rs. 8,000 in a total expenditure of Rs. 4,00,000,—quite a straw—but I would have certainly thrown this straw up to the Members of the Railway Board to note which way the wind blew in the sphere of railway management. I feel disposed to do the same in the case of the Honourable the Finance Member in connection with this motion. No doubt, I am here referring specifically to chaprasis. What is true of chaprasis will be true of other servants. So many chaprasis are surely not required to maintain the dignity of the Viceroy, however useful they may be in serving as an index of importance in the case of the Railway Inspectors. Sir, I may reasonably hope that I am not wanting in reverence. I revere the majesty of the representative of His Majesty the King-Emperor. I am a believer in the pieties of life. More especially do I revere the majesty of the goodness of the present Viceroy. I mentally compare the present Viceroy to Emperor Aurangzeb of India. (Laughter) from one point of view, from the point of view of his stoicism. Aurangzeb's wants were very few. He is said to have made skull caps in order that he might realise money enough from the sale of these skull caps for his personal needs. Emperor Aurangzeb had a great many qualities, one of which is the one I mention here. Honourable Members therefore should not be surprised at the comparison. Sir, this much expenditure is, I repeat, altogether undesirable. Honourable Members of this House may not support my motion. (*Some Honourable Members*: "Why?"); and I fear that even my party men may not support me (*Some Honourable Members*: "Oh yes; certainly we will support you."), but that does not matter to a man like me. The other day when I pressed to division a motion for a cut to indicate the absence of prohibitive duties in respect of sugar and wheat, my attempt was regarded by some as foolhardy, but the result showed who deserved the epithet. A man like me always remembers the lines of Sheridan:

"Oh Sophronius, Sophronius! It is not given to men to command success."

He can do more. He can deserve it.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I shall justify my friend Mr. Shahani's forecast by opposing his cut. (Laughter.) Perhaps, coming as I do from an Indian State where we view a little bit of splendour with equanimity, I cannot really understand that the august position of the representative of His Majesty the King-Emperor of India should be tried to be whittled down by a reduction of a few thousand rupees a month in order to take away the gold-coated chaprasis who are there awaiting even my friend Mr. Shahani's arrival some day to visit His Excellency. This incident reminds me of what happened years and years ago. During the late Mr. Gladstone's time some persons time after time made motions to cut from the Civil

List of the King. Mr. Gladstone threw out a challenge to the House and said:

"Either you want the institution of a King or you do not want it. If you want to keep it up in its proper dignity, do so by all means; but if you do not want it, then make a motion for its abolition, and then every pie you can save thereby from that Civil List you can utilise for your educational institutions or for repairing domes or for anything else you like."

That, Sir, is a better and fairer position to take, and if my Honourable friend can do that and say, "Oh, we do not want the Viceroy here", I can understand that. But having an institution, if we stint to keep it in its proper dignity, it is hardly a proper method to save money; it is the way to show,—well, I will not characterise it. (Laughter.) But we Indians do not understand these things. I submit, Sir, that there are many other directions in which real economy and retrenchment can be effected. I wish my friend's industry had been directed towards those items. Of course, it is very courageous on his part to plough a lonely furrow and try to move a cut in the Viceroy's Household, but let him not press his motion.

Mr. S. G. Jog (Berar Representative): Sir, I am not rising to oppose what has been said by my friend Raja Bahadur Krishnamachariar, nor do I feel inclined to see eye to eye with my friend Mr. Shahani. I do not hold the opinion that the Viceroy should go and live in a hut or in the Western Hostel or in one of the orthodox type quarters occupied by Mr. S. G. Jog, M.L.A. I think I am more discreet in the cut that I have put down because, Sir, I have qualified it, as you will see from my wording, by saying, "That the Demand under the head Staff, Household and Allowances of the Governor General be reduced by Rs. 100. (The necessity of curtailing the expenses without affecting the dignity and status of the Governor General.)" The object of my cut is this. I say that the dignity and status of the Governor General should be the first and paramount consideration, and if without affecting these two things, any curtailment is possible, we should certainly have recourse to it.

Sir, as I have said, I qualified my own cut both ways to maintain the personal status of the Governor General. I think I am treading on very delicate ground, though I feel that I am not treading on any dangerous or unsafe ground. I wish I should not be misunderstood, and therefore I have purposely read my whole cut as put down under Demand No. 27. I also take this opportunity of congratulating the Honourable the Finance Member, because two cases came before us in the Standing Finance Committee when we were discussing the Household expenses of the Viceroy, and I beg to observe that in all our proposals for retrenchment and curtailment of the expenses in the Household of the Viceroy, we had the full sympathy of the Honourable the Finance Member. In fact, there were many other proposals for retrenchment, and I remember on one occasion my friend said that the Finance Member is as good a national as others, but I go far and still further and say that in our deliberations I found that he was a bit of a revolutionary also. Some of us were not prepared to go with him as far as he went in connection with some of the proposals. When the Private Secretary to His Excellency came before us with his proposals and when we discussed them in the Standing Finance Committee, we sent those proposals back with a request to modify them. Then later on at a later date the Military Secretary came before us with modified proposals, and we unanimously agreed to those proposals. The

[Mr. S. G. Jog.]

original proposals were reduced very considerably, and from all this I find that the spirit of curtailment and retrenchment has reached the Viceroy's House. They also feel the necessity of curtailment of expenditure like other people, and I must congratulate them on the fact that they have also realised the difficulty. I am sorry that I cannot congratulate the Honourable the Finance Member on the Budget provision in this respect. I will read the figures of Demand No. 27. The revised estimates for 1930-31 come to Rs. 14,79,000, while the Budget estimate for 1931-32 is Rs. 15,26,000. Looking at the financial stringency this year, I think that the Budget provision for next year should have been reduced, if not, it should have been the same as this year. But, instead of that, we find an increase, and I do not think that I can congratulate the Honourable the Finance Member on that result. Many of us have really enjoyed the hospitality of the Viceroy's House. We have also enjoyed the garden site there, and probably it will be unfaithful on our part, after visiting that House and after having enjoyed their hospitality, to pass any comment or criticism on that House. However, I may say that this cut is not like those where my Honourable friends fight for loaves and fishes of office—Muhammadans wanting a share, the Sikhs wanting a share, the non-Brahmins wanting a share—but this cut is more or less a friendly cut. It is only a suggestion from this House that the Viceroy's household should also keep the necessity of curtailment of expenses in their view like the other Departments of the Government.

The Honourable Sir James Crerar (Home Member): Mr. President, I think that I may reasonably infer from the light-hearted manner in which the Mover of this motion laid his proposition before the House that, whether he took himself seriously or not, he had no expectation that the House would take him seriously, and I think that the words which have fallen on the other side of the House in the course of the discussion have amply justified Mr. Shahani's own anticipation. Consequently, my task in replying can be discharged very briefly. The normal annual expenditure on the objects to which this grant refers was fixed some years ago by the Government of India and the Secretary of State after very careful examination. The Honourable Member opposite, Mr. Jog, is perfectly correct when he refers to the great care with which any further proposals for expenditure have been treated. It is a fact, of which I am myself personally aware, that expenditure relating to His Excellency's household has got to pass through quite as severe a scrutiny in the Finance Department as any other administrative expenditure. Mr. Jog is also perfectly correct in saying that at the present time special care is being displayed in His Excellency's household that these sums of money should be administered with prudence and economy and with regard to the existing financial condition. Beyond that, it is unnecessary for me to add anything to what has been very sensibly urged by my Honourable friends opposite, and particularly by my Honourable friend Raja Bahadur Krishnamachariar.

Mr. S. C. Shahani: I would say just one word in reply to what has been said by way of criticism by my Honourable friend Raja Bahadur Krishnamachariar. He might not have failed to observe that I would never be against the incurring of reasonable expenditure upon the staff or the household of the Governor General. I would always be very

jealous of the dignity of the Viceroy; but my Honourable friend evidently missed the import of what I said. I am quite satisfied with what has been stated in connection with my cut. I have no mind to push my motion any further, and I therefore beg leave to withdraw my motion.

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

Hill Journey Allowances and Reduction of Extent of the Simla Exodus.

Diwan Bahadur T. Rangachariar: I beg to move:

"That the Demand under the head 'Staff, Household and Allowances of the Governor General' be reduced by Rs. 100."

I may say at once that it is purely a personal motion of mine. It was with some hesitation that I gave notice of this motion under this head. I was considering whether I should give it under the next head "Executive Council" or under this head, "His Excellency the Viceroy's Household Expenses." Sir, with all respect and reverence, and with all humility I beg to submit for the consideration of the Government, of which His Excellency is the head, that at a time of national crisis like this, at a time of financial crisis like this, an example should be set by them in giving up some of their luxuries. I am not touching the household expenses, I am not touching any other items of expenditure. The Simla exodus is, in my opinion, a luxury for a poor country like this. That being so, my object in bringing forward this motion is to impress upon the Government of India, including His Excellency the Governor General, that that luxury should be limited as far as possible. Sir, you will be glad to notice that an example was set in Bombay by His Excellency the Governor giving up some of the luxuries in going to the hills. I know in my own province some years ago, under the pressure of public opinion,—I think it was during the time of the incoming Viceroy, Lord Willingdon, if my recollection serves me right—we cut down the move to the hills from nearly six months to three months, and although His Excellency the Governor stays behind longer, the Members of the Government move down from Ootacamund after the expiry of three months. Sir, crores and crores of rupees have been spent in making New Delhi habitable, and hopes were thrown out at the time the Government embarked upon this huge expenditure—it was anticipated—that the Government of India would be enabled to stay for seven months in the year at least in Delhi. That was the situation. That hope was held out; that promise was held out at the time New Delhi was embarked upon. Now, Sir, what has really happened? There is hardly an effective stay of four and a half months in New Delhi. They come down in the first week of November, they take some time to settle down. They are only waiting for this Assembly to disperse on the 23rd or 24th of this month, and you will find trucks, and carriages and clerks and boxes moving up to Simla, including yourself I think,—you will also be marching up to the hills. I think that there is, with all respect if I may say so, a limit to this. There are times no doubt when Delhi will be very uncomfortable, but it is not always uncomfortable, not all these months when they want to stay away. The point which I wish to raise for the consideration of the Government is, why should the stay in the hills be so long, and why should they take up so much of the clerical establishments and the Secretarial

[Diwan Bahadur T. Rangachariar.]

establishments with them? There is a regular competition among people for going up to Simla. I know that recommendations are sought after for including people in the Simla exodus staff. There is something very attractive financially up there. I understand some of the men get separation allowances. They send their wives outside and get some allowance in addition to the Simla allowance. Apparently, not only climatically but also financially some of these people do find it more convenient. I object on principle. When the country is in this state of things, why should Government stay away from the people for months and months? I know we will be told, "Oh, after all the expenses are very limited". I do not know under what items this expenditure is concealed. We want a clever auditor to go into that. The direct expenditure on the move to the hills may be merely a few lakhs, but if you add the contingencies and other expenses that each Department incurs, you will find that the expenditure is very large. This is a matter in which public opinion has been agitating since my student days. In Madras the agitation began, I believe, in the days of the late revered Principal of the Madras Christian College, Dr. Miller, in 1882. It was only a few years ago that the Madras Government yielded and I am glad to say that the Bombay Government have also yielded. I do not know about the Bengal Government. With modern conveniences you can make a room hot or cold as you like. You can spend as much money as you like. You have got here big airy rooms with big verandahs which I can compare with the colossal verandahs of the Rameswaram temple, which have become world famous. You have telegraphic and telephonic conveniences. Is it at all necessary to persist in carrying the whole Government to the hills for more than six months in the year and spend only a few months in Delhi? Do not the millions suffer the inclemencies of the weather in the plains? Do not three lakhs of people live in Delhi? Do they die? If you want to enjoy the luxury of the hills, you must spend out of your own pockets. Of course you may say you are turning out more work in the hill stations. Well, I am not sure about that. I shall be content with a little less work in the plains. The idea is pernicious. Not only do the Government do this, but the public also follow their vicious example. My Punjab and United Provinces friends may quarrel with me over this motion. I tried my hand at this Resolution last time with very indifferent results. The Government of India goes up to Simla and the Punjab Government also go up, and a number of people belonging to the province also go up. I dare say this is the practice in other hill stations also. By all means let the people who want to go, do so, and spend money from their own pockets. Public money should not be spent on these luxuries. I wish to impress upon the Government of India that at a time like this they should set the example of sacrifice. We are face to face with a national crisis. We are asked to vote 15 crores of new taxation. May I ask what is the self-denying ordinance of the Government of India? We find that the services have been praised for the great work that they have done for the country. Nobody denies this. But when we talk of their sacrificing some of their own personal conveniences, they will not hear of it. Now many young European officers serve in the plains as Collectors and District Magistrates and Deputy Commissioners. They toil and moil in the plains. These gentlemen in the Government Benches were only Collectors the other day. They become Secretaries and Joint Secretaries to Government and go to the hills.

Why cannot they take a month's holiday and go there at their own expense? I submit, Sir, that in ordinary times this move is unnecessary, but in this time of national, financial crisis, it is criminal. With all due reverence, I appeal to His Excellency. It is rather a delicate position for His Excellency now that he is not going to be the head of the Government, but still some indication may be left that there is a public feeling behind this and I wish to voice that public feeling. I say this without casting any reflection whatever. If sacrifice is called for, it is called for not only from the public but also from the Government. Sir, I move.

Mr. Gaya Prasad Singh (Muzaffarpur cum Champaran: Non-Muhammadan): Sir, I wish to make my position clear with regard to this motion. If the object of my Honourable leader who has just spoken is to do away with the Simla exodus altogether, I am quite at one with him; but if the motion is meant to stop the migration of only some of the clerks and allow the highly paid officers of the Government of India to move up to the hills, and enjoy themselves, I am not at one with him. The example which my friend wants the Government of India to set should be set by the higher officers of the Government of India. The other day I was reading that the Governor General of New Zealand or some State voluntarily agreed to surrender a portion of his salary, along with the members of his Government at a time of national crisis. I should like if possible an example like this to be set here; but I am opposed to the idea that the poor Indian clerks and chaprasis should be deprived of the pleasure of a little hill allowance, while these big officials would continue to go up to the hills for seven months in the year. So far as the question of holding the Session of the Central Legislature in Simla or Delhi is concerned, I asked some questions during recent years, and the gist of the reply I received was this—that it is more costly for the tax-payer to hold the Session of the Central Legislature in Delhi rather than in Simla. I would ask my Honourable friends whether they are prepared to forego their motor car and conveyance allowances which they get when they are having a session here in Delhi.

Diwan Bahadur T. Rangachariar: With pleasure.

Mr. Gaya Prasad Singh: Then I should like to have a Resolution recorded in this House that non-official Members are prepared to forego the right of bringing their cars and carriages to Delhi. In that case the expenditure in holding the session in Delhi will be considerably lessened. I asked a question on the 23rd January, 1925, and the reply was this, that the expenditure that would have been incurred if the May-June session in 1924 had been held in Delhi would have been Rs. 1,46,207-6-0, and the expenditure which was actually incurred in Simla was Rs. 1,11,570-15-0; so that there would have been an excess of expenditure if the session had been held in Delhi to the tune of Rs. 34,636-7-0.

4 P.M. Now if the September session of 1924 had been held in Delhi, it would have cost Rs. 1,94,122-14-0. The expenditure actually incurred in having the session at Simla was Rs. 1,44,819-4-0, so that the extra expense that would have been incurred if the session would have been held in Delhi would have been Rs. 49,303-10-0.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Would you like to come to Delhi in September?

Mr. Gaya Prasad Singh: Sir, I would like to state that at this time of national crisis, as my Honourable friend has rightly pointed out, sacrifices have to be made; but the whole point of my complaint is this, that he does not want the higher officers of the land to make sacrifices, but he wants to come down only upon the poor Indian clerks and chaprasis.

Diwan Bahadur T. Rangachariar: I am sorry, I did not say that.

Mr. Gaya Prasad Singh: I may state that if my Honourable friend is for doing away altogether with the Simla exodus, I am quite at one with him. Now I find my Honourable friend Mr. Shabani in moving a cut in this Demand said that a few chaprasis in the Viceroy's Household might be reduced. But what would be the amount of saving which would accrue if the number of chaprasis only is reduced? Nothing! (Laughter.) Well, at any rate my Honourable friend referred to a few chaprasis only, and he did not mention any other officers who might be retrenched. So my point is clearly this, and I do not want to be misunderstood. I am opposed to the Simla exodus altogether, and I know that the public wants the Simla exodus to be stopped. But I do not want that the higher officers of the Government should, at the cost of the poor taxpayers, stay in the hills for the greater part of the year while the poor clerks and others alone should be deprived of the relief by way of hill allowance, etc. And what will the big officers in Simla do without their necessary office establishments? This is all I have got to say.

Mr. B. Sitaramaraju (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): Sir, I have no mind to interfere in the domestic quarrel between the Secretary and the Leader of the Nationalist Party. (Laughter.)

An Honourable Member: It is not a party question at all.

Mr. B. Sitaramaraju: Even if it is not a party question, Sir, I cannot congratulate my Honourable friend from Muzaffarpur in that he could not come to the aid of his leader on this occasion. You know, Sir, that the expense that is involved in this exodus has been found to be enormous, and the country has always been crying out against it. It is also known, Sir, that the Government of India have come to this city, which is the graveyard of empires with its ancient tombs and modern lamp-posts, and has made a bed of their own here, and once, Sir, they have made its bed, I think it is right that it should lie on it. No doubt it is hot during some months of the year, but I am given to understand, Sir, that the Secretariat has got modern equipment, whereby it has the use of what is known as the cooling system. Some of the Departments which are left here are fitted with that system, and it may be possible for the other Departments also to be fitted in the same manner. There is, however, one point to which I wish to draw the attention of the Leader of the Nationalist Party,—that is the wording of his cut wherein he proposes to reduce the period and extent of the Simla exodus. If my information is right, Sir, most of the time is spent in Simla in un-packing and re-packing, and whatever time is left between, the Leader of the Nationalist Party intends to rob the Government of that. Therefore, Sir, if his cut is carried, it will show to the Government that it is not worthwhile to carry all these establishments up to Simla just for the sake of demonstrating this packing and unpacking of things, and for these reasons, Sir, I propose to support the cut moved.

Raja Bahadur G. Krishnamachariar: Sir, I support this cut (Hear, hear) with regard to the Simla exodus. Sir, as I have said before, I am a little old-fashioned man, and I would like to quote a little history in order to support my contention such as it is. In the days of the old Delhi Emperors, Sir, we know they remained down in the plains all the time, suffering all the inconveniences, and they did not carry their Government up to the distant hill stations. Now they could afford to have done all that when there was no Legislative Assembly inquiring into their Budget expenses. Moreover, what do the Indian States do? (Hear, hear.) It may be that we are not so very efficient as these people carrying on the administration in British India, but at least we do carry on

Mr. B. Das: On a point of order, Sir. Can we discuss here the inefficiency or efficiency of Indian States?

Raja Bahadur G. Krishnamachariar: I am only pointing out how public business is carried on in allied countries for the benefit of allied subjects so that that may serve as a precedent for the Government of India to adopt. What I do say is that we do Government work over there—although we may not do it in such a nice fashion—but we do it anyhow and at any rate the business is carried on without much complaint, but we do not go to hill stations. As my friend, Mr. Rangachariar, pointed out, none of the District officials go to the hill stations, and neither do the Judges of the High Courts. And it cannot be said that they work less efficiently. So now, when we can all do that, only the persons who become Members of the Government have got to go to the hills, and, if I may respectfully say so, they do not devote all their time to work there. (Laughter.) Upon that ground, Sir, I support the cut; and I respectfully ask, Sir, that this Demand, which has been continuously pressed for nearly sixty years or over, deserves some pity at the hands of the Government and should be decided in favour of the public, and that the exodus should be completely stopped.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Sir, my reverence for the past is at least as intensive as that of the Honourable Member who has just sat down. The Moghuls in their palmy days, Sir—with all due deference to the Honourable Member I may point out—certainly used to go to the cool heights of Kashmir. . . .

An Honourable Member: The Emperor,—not the Government.

Mr. B. V. Jadhav: and on the same analogy, His Excellency the Viceroy must go. He cannot remain here in the plains; he is not like a common mortal. If His Excellency the Viceroy goes, then his Executive Council also must go; and if they go, what can they do without their Secretaries, their Deputy Secretaries, their Under Secretaries and their Assistant Secretaries (An Honourable Member: "Drop the whole thing".) And how can these officers alone go without the hundreds and thousands of clerks and others with whom they carry on their important work? Then, what have the poor chaprasis done that they should not have the luxury of going to the hills? So I think it would be much better that the revenues of India should provide for the exodus of the whole town of Delhi. So I think this cut in all seriousness ought to be opposed.

Mr. Muhammad Yamin Khan: Sir, I oppose this cut. Sir, I think we have had sufficiently long debates on this question in the past, and we always came to the conclusion that the Simla exodus is a necessity, not a luxury. (Hear, hear.) Sir, you have to consider the climate of Delhi and its environments, and you have to realise that you can not get so much work put up by a clerk here in Delhi, and you have to realize how much more work that clerk can do at Simla; if you consider that, you will know that you are not asking for real economy but you are asking for a false economy. A man can work in the cool climate of Simla for six or seven hours without injuring his health, whereas you cannot get the same amount of work from him here, even under the breeze of an electric fan. Sir, what will a clerk be doing here? He will be sleeping for the greater part of the day or dosing in his room. When he has to pass his nights in the hot climate, when the hot wind, which we call the *Loo*, is blowing, the poor fellow has got to keep himself awake practically the whole night and consequently you cannot expect from him that amount of work which he ought to do. The result will be that the following day there will be reports from his superior officers about his bad work or no work at all, and he will be sacked. Then there is another thing which ought to be taken into account. About one-third of the staff will be asking for privilege leave in the month of June, another one-third in the month of July and another one-third in the month of August. When these persons are on leave, you will have to pay an extra amount to those who will officiate for them. In any case you will have to pay one-third more salary to the people than you are paying now.

Diwan Bahadur T. Rangachariar: May I ask my Honourable friend if it is so in all the Collectorates which do not move to the hills?

Mr. Muhammad Yamin Khan: If my Honourable friend goes to the Collectorate he will find out for himself what a difference there is in the work done in the Government of India and the Collectorates. I have had experience of both, and I know very well how much work is done in the Collectorates and also the quality of the work. The necessary consequence of a permanent stay in Delhi would be, as I have been saying, that most of the staff would be on privilege leave for one month every year, which you could stop. They would have to do so in order to maintain their health. This money will have to be provided for, which is not needed at the present time to this extent. That, Sir, will increase your expenditure instead of curtailing it, for which purpose you wish to move this cut.

Another factor which must not be lost sight of is the climate of Delhi. From the month of June right up to the middle of November, Delhi is a very malarious place and often cholera also breaks out here.

Mr. B. R. Puri (West Punjab: Non-Muhammadan): Why have they invested then 14 crores of rupees on Delhi?

Mr. Muhammad Yamin Khan: My friend knows why this money was invested; it was not invested with anybody's consent here. Now, if you were to come to New Delhi in the hot weather you would find that in all probability there would not be so many flies in the whole town of Delhi, including perhaps its suburbs, as there would be in New Delhi. Even in the month of February, I have not seen so many flies anywhere

else in Upper India as are to be seen in New Delhi. So, if you compare February with the months of September and October, when there will be plenty of mosquitoes and other kinds of pests, you can imagine what will be the plight of those people who will be asked to stay here. I cannot therefore support this cut.

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): Sir, I do not mind if a few officials of Government are anxious to get away from the flies of New Delhi to the butterflies of Simla, but it is just as well to know what was the opinion which was expressed on this question of exodus by a former Governor of Bengal, Lord Carmichael, who was in Bengal for five years, and during all these five years was migrating to Darjeeling in the Summer. And what was his opinion as a result of five years' stay in Darjeeling? Why, he said, he was convinced that the work which the Government did in Calcutta was ever so much better and more in volume than what was done in Darjeeling. Sir, Government officials do not go to Simla for work. Not that, when they stay in Delhi, they are necessarily over-worked. Here also they have much to occupy them otherwise, but Simla affords a much better place in that way.

The Honourable Sir George Schuster: Sir, it was a question between my Honourable colleague in the Home Department and myself as to who should reply in this case, but I think the debate has taken a purely financial turn and therefore perhaps it lies rather with me than with him to deal with this motion. I entirely agree with those speakers who have taken the view that it is no use discussing half measures on this subject. If it were possible for the whole of the Government of India to stay at Delhi the whole year round, then there might be something in the idea which we have had discussed. It might then be possible to effect an economy and I have no doubt it would set a very laudable example to the rest of India. But, Sir, is that a practical possibility? I have formed the belief myself, from what I have heard said here both in the course of this debate and in private conversations at various times, that nobody would really put that forward as a practical possibility. However unfortunate it may be that the Headquarters of the Government of India are at Delhi only for a part of the year, and however unfortunate it may be that the Government of India have to incur the double expense of maintaining two Headquarters, I think no one would seriously suggest that the work could be efficiently done if the Government stayed here for the whole year round. It has been mentioned to me while this debate was going on that there are a great number of practical examples showing what objection there is felt to working at Delhi throughout the hot weather. For instance, recently an important committee largely composed of Members of this House, from the un-official Benches, I mean the "Age of Consent" Committee, when it had to do work in the months of April and May, flatly refused to do its work at Delhi. I am told it would not even go to Dehra Dun, but it insisted on going to Mussoorie. That, Sir, whatever the rights and wrongs of it, is a practical illustration of what are the practical considerations in this case.

Now, Sir, as regards the half measures that have been suggested, I am not quite certain whether my Honourable friend the Leader of the Opposition, in making his motion, intended to lay chief weight on reducing the numbers that move up to Simla or reducing the period of the stay at Simla. An experiment has already been made in reducing the numbers

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that go to Simla, and I am told that it was completely unsuccessful and led to great loss of efficiency and was universally condemned as a failure. As regards lengthening the period of the stay at Delhi, it may be that that would be regarded as a good example in the rest of India and would also indicate that the Government of India were prepared to make sacrifices. But I would ask if there is any real value in that sort of sacrifice, if there is no financial advantage in it. It would merely result in a certain amount of self-mortification and discomfort. As a matter of fact, we have this year gone very carefully into the possibility of reducing the move to Simla in either direction and we have considered whether any substantial economy could be achieved thereby. The result was almost entirely negative. But if my Honourable friend thinks that there is something in it and if he will put down a question and ask for exact information as to what would be involved and what saving could be effected if the move to Simla were stopped, I shall be very pleased to do my best to supply him with that information. Or, if whatever Retrenchment Committee is set up wishes to go into this question, then again, they will have every possible opportunity for doing so. I can only inform the House that, as a result of our careful investigation, we came to the conclusion that any modification of the present plans would really be false economy. That, Sir, is I think all that I need say on the subject. This motion came up in connection with the vote for the staff, house-hold and allowances of the Governor General, but it has strayed into a much wider field, and therefore, I would only like to say this about the particular Demand in connection with which it is moved, because something was said also of the desirability of sacrifices being made in the highest quarters. I would only like to inform the House of this, that I have had a good deal of discussion with His Excellency on this question and he has been devoting his personal attention to ways and means in which economies might be effected, but I am sure, Honourable Members will appreciate his position which is in this respect an extremely difficult one, in that he can hardly be expected to commit his successor to any drastic changes in the practice which has prevailed hitherto. But, as was pointed out by my Honourable friend Mr. Jog, a member of the Standing Finance Committee, when a case recently came up where it was necessary, owing to the move to the new Viceroy's House to increase the provision for the upkeep of furniture and for the maintenance of the garden above what had been necessary in the old Viceregal Lodge and when the Standing Finance Committee expressed the view that the increased provision asked for was out of all proportion to the economy which was necessary this year, I may inform the House that, as soon as that was brought to the attention of His Excellency, he gave orders that the increase should be cut down to the minimum possible limit which could be maintained without ruining the work which had already been done; so that I do not think this House can complain that there has been any lack of attention to the economy which they desire in respect of this particular Demand. Sir, on general grounds which I have explained, I must oppose this cut.

Diwan Bahadur T. Rangachariar: I may say at once that I am thoroughly dissatisfied with the reply given by the Honourable Member, and I knew that would be the answer which I would get. I knew also that my Honourable friends like Mr. Gaya Prasad Singh would also raise an opposition, because nobody wants to be deprived when you can live well at other

people's expense and they will say, "Well, this is necessary and that is necessary, efficiency will suffer if you do not do this or if you do not do that. You cannot effect economy in this way or that way. Either the whole lot should go or nothing at all". When my Honourable friend the Finance Member says thus, my learned friend behind me cries, hear, hear, and he knows perfectly well that nobody would advocate that there should be no exodus at all for some months in the year. My learned friend says, "If you totally abolish the exodus, I am at one with you, but if it is partial abolition, I am not at one with you". I fail to see the logic of this argument except it be that he has the firm conviction that next Autumn there will be the Simla Session and he can go there.

Then, Sir, the other cry is raised, "Look at the poor Indian clerks and the chaprasis; why should they be deprived of this luxury of going to Simla?" Well, Sir, that is not an argument I can appreciate. Either you are sincere in your desire for retrenchment or you are not. We have been crying ourselves hoarse in this House for the last few days that there should be retrenchment here and there should be retrenchment there, and the usual objection taken is that by your policy of retrenchment, it is the poor Indian subordinates and chaprasis who will suffer. I have no mercy in that way, if retrenchment is indeed in the interest of the financial stability of India, and in order to prevent new taxation. That is not the sort of argument we should lightly yield to. My Honourable friend Mr. Yamin Khan spoke of his experiences. I do not know whether he is a practising Barrister.

An Honourable Member: Yes.

Diwan Bahadur T. Rangachariar: Do the Sessions Judges and do the District Magistrates go to hill stations, and does my Honourable friend reject briefs during those hot months of the year if he has to appear before those Sessions Judges and District Magistrates who live in the plains? My Honourable friends from Calcutta, the commercial magnates of Bombay and Calcutta, do they give up their business during the hot months? Do they say that their business is not well done during the hot months by living in the plains? If we can manage our business in the same way as the commercial gentlemen do in this country, we can congratulate ourselves. It is only when interested persons judge of things, they always find arguments to support the bad things they want to tolerate. Let an impartial committee go into this question whether you can really effect economy or not by reducing the period, by reducing the extent and by reducing the number of people you take. Let it not be your own committees which sit on such questions. Of course you have got your own clerks, you have got your own Superintendents, Deputy Secretaries, Joint Secretaries and Secretaries who will only put up their notes in a particular way so as to draw favourable conclusions. They will only put up those rules which are favourable to them. Let an impartial committee go into this question.

The Honourable Sir George Schuster: That is exactly what I said to my Honourable friend.

Diwan Bahadur T. Rangachariar: I want an impartial committee outside the Secretariat. That is what I want. Let us go into that question thoroughly. Let me ask my Honourable friends from Calcutta to go into

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that question. They know this thing perfectly well. It is all easy to suggest such arguments as have been advanced by my Honourable friend Mr. Yamin Khan. Does he expect to be seriously taken when he tells me that work is better done and more efficient work is done up in Simla than in Delhi? I have got my own house in the hill station in my own province. I go there at my own expense. I roam about the hills. I inhale as much fresh air as possible. I take as many sun-baths as I can. I enjoy all the amusements, I go to the theatres, I go to the dances and the balls and other things. Sir, it is all very well to talk of more efficient work on the hills; but I do not believe it. In practice it is not so. It will be doing scant justice to those honourable men to say that they will not do as much work here in the plains as they do in the hills. No Collector will be told that he is doing less work because he is in the plains. Collectors of districts have got more arduous task and they do it with pleasure. Does anybody complain that the work in the plains is not well done? Well, Sir, these arguments are simply begging the question. I do not believe them. Sir, it is not my intention to press this matter to a division, but I do submit that this sort of easy handling cannot convince anybody. No doubt my Honourable friends Mr. Gaya Prasad Singh and others are very anxious to go to the hill station at other people's expense. Let me see if they will go to a hill station at their own expense for months together.

Mr. Gaya Prasad Singh: You have got a motor car up here in Delhi at other people's expense?

Diwan Bahadur T. Rangachariar: Well, Sir, this sort of argument will not weigh. It is a great national question. It has been said that if the Governor General goes to the hills, all the Members of the Council should go. That is not so in Madras. The Governor no doubt stays in the hills, but the Members of the Council come down after three months stay in the hills; and nobody has complained that work was not well done in the plains after they came down after such a short stay in the hills. All the Secretaries come down to the plains. It is easy to set up bogus arguments like these, namely, that efficiency will suffer and so on. Sir, I do not accept the weight of these. This year, at any rate, why should there not be a reduction in the period of their stay? Why should there not be a reduction in the volume of people which you take? It is opposed to all common sense to believe you when you say that either you should all go, or if you reduce the number of people, you can not save any money. It requires most careful investigation to accept an argument of that sort or a conclusion of that sort. *Prima facie* it appears unsound to ordinary people. It cannot be that if you reduce the number of people whom you take, you cannot save any money. If you were taking, say, 100 people formerly, and if you now take only 50 people, this time, you save travelling allowances, hill allowances, the extra pay they get in the hills and so on. How can it be that you cannot save anything if you take a less number of people? I cannot understand that argument. I therefore press it upon the attention of the Government that it is a matter which requires investigation. If the Government really believe in what they say, let them appoint an outside committee to go into this question and see what economies can be effected in a matter of this kind. Having regard to the nature of the motion, as it is a motion or a request to His Excellency the Governor

General to cut down his expenses, I do not think it would be fair for me to press this motion to a division, and I therefore beg leave to withdraw the motion.

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

Request to the Viceroy for some Voluntary Surrender of Emoluments for the Needed Retrenchment.

Mr. S. C. Shahani: Sir, I beg to move:

“That the Demand under the head ‘Staff, Household and Allowances of the Governor General’ be reduced by Rs. 100.”

My object in proposing this token cut is twofold. My first object is to draw the attention of the Honourable Members and of the public to the fact that we are not allowed to concern ourselves with the total expenditure that is being incurred in connection with the Government of India. If you will kindly look into the expenditure from 1930-31, you will find that, of this expenditure, only about 44 crores are submitted to the vote of this House and that about 120 crores are non-voted.

(At this stage Mr. President vacated the Chair which was taken by Rai Sahib Harbilas Sarda.)

According to me this is an absurdly futile procedure. I should make a request to the Honourable the Finance Member to explain why this procedure is adopted. It is according to me a most amazing procedure. You make a show of referring the expenditure of the Government of India to the consideration of the House, but really out of this huge expenditure you make only 44 crores votable and the rest non-votable.

My second object in proposing this token cut is to induce, if I can, some voluntary surrender of his emoluments from the Governor General, who would, by so doing, be setting a very good example. I find in scrutinizing the Budget of the Government of India and the explanatory notes on the Demands that one frequently encounters 3, 4, and 5 thousand rupees (the highest being 20 thousand) as the salaries of the different officers entrusted with the administration of the Government of India. If you compare the allowance of His Excellency the Viceroy with the allowance of the Premier of England, you find that there is a tremendous difference. The Premier is not allowed more than £5,000 a year, and surely there is no reason why the representative of the King-Emperor here should draw more. With these words, Sir, I move my token cut.

Mr. C. C. Biswas: Sir, I am very glad that my Honourable friend has brought forward this motion. For the last few days we have been suggesting retrenchment in salaries. But, I am afraid that my Honourable friend the Finance Member has throughout missed the point involved in this demand for retrenchment. It is not so much because the proposed cuts in salaries would bring in a substantial saving in expenditure that we ask for it, but we are asking for it as a sort of gesture from the Government, a gesture which would no doubt have a tremendous effect upon the people outside. I need not labour this point, but I will only place before the House an extract from the *Economist* of London of the 10th

[Mr. C. C. Biswas.]

January, 1931. Referring to a similar proposal for a cut in the salaries of the Members of the British Cabinet, it said this:

"There is one great contribution which the Government can make, and that is one of leadership and example. We would have the Cabinet start the ball rolling in the right direction by making a cut in their own salaries and those of all public servants from the very top downward in a system of fair graduation. Our reason for advocating this step is not that our statesmen are over-paid, but because the psychological effect of such a gesture would be incalculable."

That is, Sir, the spirit in which we have been demanding this retrenchment.

The Honourable Sir George Schuster: Sir, as regards the precise motion which is before the House I think Honourable Members will appreciate from what I said in speaking on the last cut that it is an extremely inappropriate one. So far as it affects His Excellency the Governor General himself he clearly cannot at this moment make a gesture, however much he might wish to do so, which would really be a gesture made on behalf of his successor. I am sure that all Honourable Members will appreciate that and will not wish me to say any more on the subject.

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

Sir, when my Honourable friend who supported this motion talked about making gestures, I should like to say this. It is very easy to make gestures of that kind and to earn a certain amount of cheap applause. But those who are making these gestures have got to consider what the effect might be on others who might be committed to some course in order to follow suit with them. Those are considerations which must weigh with us who are asked to set an example of this kind. I have dealt with the question of a general reduction in salaries fully in my Budget speech and therefore I do not intend to enter again upon that subject now. I will content myself with opposing the cut on the ground which I stated at the outset. I wish to treat it solely from the point of view of what the actual effect of this particular motion would be, and I repeat that that effect is one which I am sure this House could not seriously support. The effect, as I have tried to point out, is typical of wider issues, but for the moment I content myself with dealing with that particular effect alone and oppose the cut on those grounds.

Mr. S. C. Shahani: Sir, I have always heard with interest the assurance given and repeated to the Honourable Members of this House by the Finance Member that he has applied the knife to the expenditure of the Government of India and stripped it to the very bone, and that he cannot apply the knife any further without endangering the very being of the Government of India. I have however felt that his manner of thought is radically different to my own and probably to that of many Honourable Members of this House. I have already explained the twofold object with which I have proposed this cut. I was not able to follow what the Honourable Member said with regard to my second object, namely, to understand why so much of the expenditure incurred on the Government of India should be non-votable. I find that 73 per cent. and more of the

expenditure is non-votable and only about 26 per cent. is votable. I probably did not hear the answer made, but if the Honourable Member gives an answer on the occasion of the Finance Bill it would do for my purposes.

Mr. H. Shankar Rau: Sir, I will answer that if I may.

Mr. President: The Honourable the Finance Member has already replied and I cannot therefore permit the Honourable Member to speak now.

The question is:

"That the Demand under the head 'Staff, Household and Allowances of the Governor General' be reduced by Rs. 100."

Mr. S. C. Sahani: Sir, I have no intention of pressing this motion to a division and I therefore beg leave of the House to withdraw it.

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

Mr. President: The question is:

"That a sum not exceeding Rs. 4,06,000 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, 1932, in respect of 'Staff, Household and Allowances of the Governor General'."

The motion was adopted.

DEMAND No. 29—COUNCIL OF STATE.

The Honourable Sir George Schuster: Sir, I move:

"That a sum not exceeding Rs. 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, 1932, in respect of the 'Council of State'."

The motion was adopted.

DEMAND No. 30—LEGISLATIVE ASSEMBLY AND LEGISLATIVE ASSEMBLY DEPARTMENT.

The Honourable Sir George Schuster: Sir, I move:

"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, 1932, in respect of the 'Legislative Assembly and Legislative Assembly Department'."

Quarters for Members not Free.

Mr. Badri Lal Rastogi: Sir, I beg to move:

"That the Demand under the head 'Legislative Assembly and Legislative Assembly Department' be reduced by Rs. 100."

In my opinion it is a direct and down right insult to the Members of the Assembly when they are not provided with free quarters to live in even when they come to attend the Session. To tell the truth, people are taken aback when they come to know that Members have to pay for the

[Mr. Badri Lal Rastogi.]

quarters given to them; rather they complain against the Government that so much money is spent on such and such a thing, but still the Members do not get free quarters to live in. I therefore appeal to the Honourable Member in charge to see to it, so that the insults which the Members have to pocket sometimes may be got over. With these words I move my motion.

Mr. S. G. Jog: Sir, without giving any reasons I oppose the motion.

Diwan Bahadur T. Rangachariar: I very heartily oppose this motion. I am surprised, after my Honourable friend has been doing all that he has done during the last week, that he should have ventured to move a cut like this. Why should we have quarters free? We get allowances and why should we not pay some of the allowances for the quarters? We occupy the houses and live in them and use them. On the other hand my complaint is that they do not levy enough rent perhaps. Sir, I oppose the motion.

Mr. C. C. Biswas: We all oppose it.

Mr. J. A. Shillidy: Sir, it seems rather unnecessary for me to say anything in view of the general opposition.

Mr. Badri Lal Rastogi: I beg leave to withdraw my motion.

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

Mr. 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, 1932, in respect of the 'Legislative Assembly and Legislative Assembly Department'."

The motion was adopted.

DEMAND NO. 31—FOREIGN AND POLITICAL DEPARTMENT.

The Honourable Sir George Schuster: Sir, I move:

"That a sum not exceeding Rs. 9,14,000 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, 1932, in respect of 'Foreign and Political Department'."

Practical Exclusion of Indians from the Foreign and Political Department.

Mr. B. Sitaramaraju: I move, Sir:

"That the Demand under the head 'Foreign and Political Department' be reduced by Rs. 1,000."

In moving this motion, I wish to draw the attention of this House to the fact that this is one of those services in which we do not find Indians occupying responsible posts in the service. We know that even in the high born order, the Indian Civil Service, we find Indians; but even those Indians who are in that service do not find a place in the service as Residents and the like in this Foreign and Political Department. We know also that it is possible that an Indian Civil Servant could occupy one of

those seats on the Treasury Benches and discharge his responsible duties, and yet when it comes to even a lower position like that of a Resident in a Native State, we do not find him occupying it. In this connection I wish to draw the attention of the House to the fact that some European powers

Mr. J. G. Acheson (Foreign Secretary): I cannot hear the Honourable Member. Will he please speak up?

Mr. B. Sitaramaraju: I was saying, there are some European powers who are admitting into the diplomatic service of the country their coloured subjects, and my information is that even on the borders of our own country at the present day, in the Kingdom of Afghanistan, in one of the Consulates there is a coloured subject employed by an European power. But the Government of India, Sir, do not place that confidence which the European powers are placing in their coloured subjects, in us and in our own country. It is said that the Indian Princes do not favour the Indian element in this service but prefer Europeans. I am given to understand that during the discussions at the Round Table Conference, the Indian Princes made it pretty plain that it was just the other way round, and that they would rather have the Indians than others. Therefore, Sir, it is high time that this discrimination was done away with and Indians should be largely employed in the Foreign and Political Department. With these few words, I place my motion before the House.

Diwan Bahadur T. Rangachariar: Sir, I heartily support this motion. I also take this opportunity to stand up now before the guillotine falls to draw the attention of the Government to the wholly inadequate time which is allotted to us to discuss the Budget. When the time for passing the Finance Bill comes, I daresay the Honourable the Finance Member will tell us, as other Finance Members have told us, that we have passed the Budget, there is a deficit to fill, there is a gap to fill up, and therefore with all these non-votable items, two-thirds of which are non-votable and with the insufficient time allotted to us, my Honourable friend will say "the Budget has been passed by the Legislature and now give me the supplies". Sir, I wish to refute the logicity of that statement and also the fictitious nature of the passing of this Budget. With these few words I support the present motion.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Sir, I wish also to support the motion moved by my friend, Mr. Raju. It has a great significance in so far as the status of Indians is concerned. There is really no reason whatever why Indians should be practically excluded from the Foreign and Political service of the Government of India. I am absolutely sure that, if they were trusted, as they ought to be, they would be able to discharge their duties as satisfactorily as members of any other race. I take it, Sir, that under the new constitution, which I hope will soon be inaugurated, all this distrust and suspicion will be done away with, and I hope that as an earnest of that, the Government of India will make a new departure in this respect.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): Sir, I would just like to say that I brought this matter to the notice of the Round Table Conference in the Services Sub-Committee. The point I made was that, while it might be generally recognised that the Foreign and Political Department might be a reserved subject for a number of

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[Mr. H. P. Mody.]

years, it was very essential that Indians should occupy responsible positions in these Departments, so that if and when the time came, they would be in a position to run the Department. I was given to understand by one of the Secretaries present that the policy of Indianisation had already been embarked upon and that there were several Indians in the Foreign and Political Department.

Mr. Gaya Prasad Singh: How many Indians are there in the Cipher Branch?

Mr. H. P. Mody: All I am suggesting here is that the Government should indicate to us exactly what is the strength of Indians in this Department in the superior posts, and what their policy is so that this House may be in a position to know how to vote on this question.

Mr. J. G. Acheson: Sir, I am very glad to supply the information which the last speaker has asked for, but before doing so, I should like to dispel the idea that there is any reason whatever for the accusation of lack of trust of Indians in the Department. On the contrary, many of our most trusted and most respected officers are, I am glad to say, Indians.

As regards the recruitment to this service, under the Lee Commission's recommendations we are expected to recruit Indians up to 25 per cent., and that policy has been scrupulously followed ever since the time of the Lee Commission. That, Sir, is, I think, a sufficient answer to the allegation that there is a policy of practical exclusion of Indians from this service. The selection is, as Honourable Members are well aware, in the hands of His Excellency the Viceroy; it is a very strict selection, and it is carried on under the personal supervision of His Excellency the Viceroy, who is the head of the Department. It is restricted to the I. C. S., the Indian Army, and in very exceptional circumstances, to the Provincial Civil Service. The total number of applications from Indian candidates received since the Department was thrown open to Indians is as follows:

I. C. S.—5, of whom two were selected, two rejected, and one died before appointment.

Indian Army.—17, of whom 10 were selected, five rejected and two are on the waiting list.

Provincial Civil Service.—24 (13 selected, 5 rejected and 6 are on the waiting list).

Then as regards the employment of Indians abroad, to which the Honourable the Mover of the motion referred, I may say that I have not got the figures at my finger's ends, but there are a number of Indians who have in the past held responsible consular positions abroad, and shortly I hope there will be two more.

Mr. Gaya Prasad Singh: How many Indians are there in the Cipher Bureau?

Mr. J. G. Acheson: I should like to have notice of that question.

Diwan Bahadur T. Rangachariar: Does the term "Indians" to which the Honourable Member has just referred, include statutory Indians also?

Mr. J. G. Acheson: That is rather beyond me. I meant Indians in the ordinary sense of the term.

Mr. B. Sitaramaraju: Is there a single Indian as Resident or Agent in any single Indian State?

Sir, though I am not satisfied with the reply given by the Honourable Member in charge, I do not wish to press this cut to a division, and with your permission I should like to withdraw it.

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

Mr. President: The question is:

"That a sum not exceeding Rs. 9,14,000 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, 1932, in respect of 'Foreign and Political Department'."

The motion was adopted.

DEMAND No. 32—HOME DEPARTMENT.

The Honourable Sir George Schuster: Sir, I move.

"That a sum not exceeding Rs. 6,93,000 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, 1932, in respect of the 'Home Department'."

The motion was adopted.

DEMAND No. 33—PUBLIC SERVICE COMMISSION.

Mr. 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, 1932, in respect of 'Public Service Commission'."

The motion was adopted.

DEMAND No. 34—LEGISLATIVE DEPARTMENT.

Mr. President: The question is:

"That a sum not exceeding Rs. 3,41,000 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, 1932, in respect of 'Legislative Department'."

The motion was adopted.

DEMAND No. 35—DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

Mr. President: The question is:

"That a sum not exceeding Rs. 6,08,000 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, 1932, in respect of 'Department of Education, Health and Lands'."

The motion was adopted.

DEMAND No. 36—FINANCE DEPARTMENT.

Mr. President: The question is:

"That a sum not exceeding Rs. 10,77,000 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, 1932, in respect of 'Finance Department'."

The motion was adopted.

DEMAND No. 37—SEPARATION OF ACCOUNTS FROM AUDIT.

Mr. President: The question is:

"That a sum not exceeding Rs. 15,27,000 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, 1932, in respect of 'Separation of Accounts from Audit'."

The motion was adopted.

DEMAND No. 38—COMMERCE DEPARTMENT.

Mr. President: The question is:

"That a sum not exceeding Rs. 3,47,000 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, 1932, in respect of 'Commerce Department'."

The motion was adopted.

DEMAND No. 40—DEPARTMENT OF INDUSTRIES AND LABOUR.

Mr. President: The question is:

"That a sum not exceeding Rs. 5,05,000 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, 1932, in respect of 'Department of Industries and Labour'."

The motion was adopted.

DEMAND No. 41—CENTRAL BOARD OF REVENUE.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,70,000 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, 1932, 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. President: The question is:

"That a sum not exceeding Rs. 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, 1932, in respect of 'Payments to Provincial Governments on account of Administration of Agency subjects'."

The motion was adopted.

DEMAND No. 43—AUDIT.

Mr. President: The question is:

"That a sum not exceeding Rs. 89,14,000 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, 1932, in respect of 'Audit'."

The motion was adopted.

DEMAND No. 44—ADMINISTRATION OF JUSTICE.

Mr. President: The question is:

"That a sum not exceeding Rs. 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, 1932, in respect of 'Administration of Justice'."

The motion was adopted.

DEMAND No. 45—POLICE.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,96,000 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, 1932, in respect of 'Police'."

The motion was adopted.

DEMAND No. 46—PORTS AND PILOTAGE.

Mr. President: The question is:

"That a sum not exceeding Rs. 13,17,000 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, 1932, in respect of 'Ports and Pilotage'."

The motion was adopted.

DEMAND No. 47—LIGHTHOUSES AND LIGHTSHIPS.

Mr. President: The question is:

"That a sum not exceeding Rs. 12,82,000 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, 1932, in respect of 'Lighthouses and Lightships'."

The motion was adopted.

DEMAND No. 48—SURVEY OF INDIA.

Mr. President: The question is:

"That a sum not exceeding Rs. 33,43,000 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, 1932, in respect of 'Survey of India'."

The motion was adopted.

DEMAND No. 49—METEOROLOGY.

Mr. President: The question is:

"That a sum not exceeding Rs. 20,49,000 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, 1932, in respect of 'Meteorology'."

The motion was adopted.

DEMAND No. 50—GEOLOGICAL SURVEY.

Mr. President: The question is:

"That a sum not exceeding Rs. 2,37,000 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, 1932, in respect of 'Geological Survey'."

The motion was adopted.

DEMAND No. 51—BOTANICAL SURVEY.

Mr. President: The question is:

"That a sum not exceeding Rs. 2,54,000 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, 1932, in respect of 'Botanical Survey'."

The motion was adopted.

DEMAND No. 52—ZOOLOGICAL SURVEY.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,54,000 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, 1932, in respect of 'Zoological Survey'."

The motion was adopted.

DEMAND No. 53—ARCHAEOLOGY.

Mr. President: The question is:

"That a sum not exceeding Rs. 13,74,000 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, 1932, in respect of 'Archæology'."

The motion was adopted.

DEMAND No. 54—MINES.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,40,000 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, 1932, in respect of 'Mines'."

The motion was adopted.

DEMAND No. 55—OTHER SCIENTIFIC DEPARTMENTS.

Mr. President: The question is:

"That a sum not exceeding Rs. 3,24,000 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, 1932, in respect of 'Other Scientific Departments'."

The motion was adopted.

DEMAND No. 56—EDUCATION.

Mr. President: The question is:

"That a sum not exceeding Rs. 18,72,000 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, 1932, in respect of 'Education'."

The motion was adopted.

DEMAND No. 57—MEDICAL SERVICES.

Mr. President: The question is:

"That a sum not exceeding Rs. 6,90,000 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, 1932, in respect of 'Medical Services'."

The motion was adopted.

DEMAND No. 58—PUBLIC HEALTH.

Mr. President: The question is:

"That a sum not exceeding Rs. 12,07,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of 'Public Health'."

The motion was adopted.

DEMAND No. 59—AGRICULTURE.

Mr. President: The question is:

"That a sum not exceeding Rs. 12,83,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of 'Agriculture'."

The motion was adopted.

DEMAND No. 60—IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH DEPARTMENT.

Mr. President: The question is:

"That a sum not exceeding Rs. 7,01,000 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, 1932, in respect of 'Imperial Council of Agricultural Research Department'."

The motion was adopted.

DEMAND No. 61—CIVIL VETERINARY SERVICES.

Mr. President: The question is:

"That a sum not exceeding Rs. 7,41,000 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, 1932, in respect of 'Civil Veterinary Services'."

The motion was adopted.

DEMAND No. 62—INDUSTRIES.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,74,000 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, 1932, in respect of 'Industries'."

The motion was adopted.

DEMAND No. 63—AVIATION.

Mr. President: The question is:

"That a sum not exceeding Rs. 31,40,000 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, 1932, in respect of 'Aviation'."

The motion was adopted.

DEMAND No. 64—COMMERCIAL INTELLIGENCE AND STATISTICS.

Mr. President: The question is:

"That a sum not exceeding Rs. 5,23,000 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, 1932, in respect of 'Commercial Intelligence and Statistics'."

The motion was adopted.

DEMAND No. 65—CENSUS.

Mr. President: The question is:

"That a sum not exceeding Rs. 31,13,000 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, 1932, in respect of 'Census'."

The motion was adopted.

DEMAND No. 66—EMIGRATION—INTERNAL.

Mr. President: The question is:

"That a sum not exceeding Rs. 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, 1932, in respect of 'Emigration—Internal'."

The motion was adopted.

DEMAND No. 67—EMIGRATION—EXTERNAL.

Mr. 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, 1932, in respect of 'Emigration—External'."

The motion was adopted.

DEMAND No. 68—JOINT STOCK COMPANIES.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,16,000 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, 1932, in respect of 'Joint Stock Companies'."

The motion was adopted.

DEMAND No. 69—MISCELLANEOUS DEPARTMENTS.

Mr. President: The question is:

"That a sum not exceeding Rs. 6,21,000 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, 1932, in respect of 'Miscellaneous Departments'."

The motion was adopted.

DEMAND No. 70—INDIAN STORES DEPARTMENT.

Mr. President: The question is:

"That a sum not exceeding Rs. 6,42,000 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, 1932, in respect of 'Indian Stores Department'."

The motion was adopted.

DEMAND No. 71—CURRENCY.

Mr. President: The question is:

"That a sum not exceeding Rs. 48,38,000 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, 1932, in respect of 'Currency'."

The motion was adopted.

DEMAND No. 72—MINT.

Mr. President: The question is:

"That a sum not exceeding Rs. 26,53,000 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, 1932, in respect of 'Mint'."

The motion was adopted.

DEMAND No. 73—CIVIL WORKS.

Mr. President: The question is:

"That a sum not exceeding Rs. 2,26,40,000 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, 1932, in respect of 'Civil Works'."

The motion was adopted.

DEMAND No. 74—SUPERANNUATION ALLOWANCES AND PENSIONS.

Mr. President: The question is:

"That a sum not exceeding Rs. 41,66,000 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, 1932, in respect of 'Superannuation Allowances and Pensions'."

The motion was adopted.

DEMAND No. 75—STATIONERY AND PRINTING.

Mr. President: The question is:

"That a sum not exceeding Rs. 62,57,000 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, 1932, in respect of 'Stationery and Printing'."

The motion was adopted.

DEMAND No. 76—MISCELLANEOUS.

Mr. President: The question is:

"That a sum not exceeding Rs. 8,09,000 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, 1932, in respect of 'Miscellaneous'."

The motion was adopted.

DEMAND No. 77—REFUNDS.

Mr. President: The question is:

"That a sum not exceeding Rs. 70,78,000 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, 1932, in respect of 'Refunds'."

The motion was adopted.

DEMAND No. 79—BALUCHISTAN.

Mr. President: The question is:

"That a sum not exceeding Rs. 31,27,000 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, 1932, in respect of 'Baluchistan'."

The motion was adopted.

DEMAND No. 80—DELHI.

Mr. President: The question is:

"That a sum not exceeding Rs. 43,69,000 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, 1932, in respect of 'Delhi'."

The motion was adopted.

DEMAND No. 81—AJMER-MERWARA.

Mr. President: The question is:

"That a sum not exceeding Rs. 16,97,000 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, 1932, in respect of 'Ajmer-Merwara'."

The motion was adopted.

DEMAND No. 82—ANDAMANS AND NICOBAR ISLANDS.

Mr. President: The question is:

"That a sum not exceeding Rs. 40,08,000 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, 1932, in respect of 'Andamans and Nicobar Islands'."

The motion was adopted.

DEMAND No. 83—RAJPUTANA.

Mr. 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, 1932, in respect of 'Rajputana'."

The motion was adopted.

DEMAND No. 84—CENTRAL INDIA.

Mr. President: The question is:

"That a sum not exceeding Rs. 5,66,000 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, 1932, in respect of 'Central India'."

The motion was adopted.

DEMAND No. 85—HYDERABAD.

Mr. President: The question is:

"That a sum not exceeding Rs. 3,19,000 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, 1932, in respect of 'Hyderabad'."

The motion was adopted.

DEMAND No. 86—EXPENDITURE IN ENGLAND—SECRETARY OF STATE FOR INDIA.

Mr. President: The question is:

"That a sum not exceeding Rs. 16,38,000 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, 1932, in respect of 'Expenditure in England—Secretary of State for India'."

The motion was adopted.

DEMAND No. 87—EXPENDITURE IN ENGLAND—HIGH COMMISSIONER FOR INDIA.

Mr. President: The question is:

"That a sum not exceeding Rs. 33,54,000 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, 1932, in respect of 'Expenditure in England—High Commissioner for India'."

The motion was adopted.

B.—Expenditure charged to Capital.

DEMAND No. 88—CAPITAL OUTLAY ON SECURITY PRINTING.

Mr. 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, 1932, in respect of 'Capital Outlay on Security Printing'."

The motion was adopted.

DEMAND No. 89—FOREST CAPITAL OUTLAY.

Mr. 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, 1932, in respect of 'Forest Capital Outlay'."

The motion was adopted.

DEMAND No. 90—IRRIGATION.

Mr. President: The question is:

"That a sum not exceeding Rs. 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, 1932, in respect of 'Irrigation'."

The motion was adopted.

DEMAND No. 91—INDIAN POSTS AND TELEGRAPHS.

Mr. President: The question is:

"That a sum not exceeding Rs. 33,09,000 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, 1932, in respect of 'Indian Posts and Telegraphs'."

The motion was adopted.

DEMAND No. 92—INDO-EUROPEAN TELEGRAPHS.

Mr. President: The question is:

"That a sum not exceeding Rs. 58,17,000 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, 1932, in respect of 'Indo-European Telegraphs'."

The motion was adopted.

DEMAND No. 93—CAPITAL OUTLAY ON CURRENCY NOTE PRESS.

Mr. President: The question is:

"That a sum not exceeding Rs. 5,000 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, 1932, in respect of 'Capital Outlay on Currency Note Press'."

The motion was adopted.

DEMAND No. 94—CAPITAL OUTLAY ON VIZAGAPATAM HARBOUR.

Mr. President: The question is:

"That a sum not exceeding Rs. 43,15,000 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, 1932, in respect of 'Capital Outlay on Vizagapatam Harbour'."

The motion was adopted.

DEMAND No. 95—CAPITAL OUTLAY ON LIGHTHOUSES AND LIGHTSHIPS.

Mr. 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, 1932, in respect of 'Capital Outlay on Lighthouses and Lightships'."

The motion was adopted.

DEMAND No. 96—COMMUTED VALUE OF PENSIONS.

Mr. President: The question is:

"That a sum not exceeding Rs. 29,90,000 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, 1932, in respect of 'Commuted Value of Pensions'."

The motion was adopted.

DEMAND No. 97—NEW CAPITAL AT DELHI.

Mr. President: The question is:

"That a sum not exceeding Rs. 21,63,000 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, 1932, in respect of 'New Capital at Delhi'."

The motion was adopted.

C.—Disbursement of Loans and Advances.

DEMAND No. 98—INTEREST-FREE ADVANCES.

Mr. President: The question is:

"That a sum not exceeding Rs. 79,29,000 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, 1932, in respect of 'Interest-free Advances'."

The motion was adopted.

DEMAND No. 99—LOANS AND ADVANCES BEARING INTEREST.

Mr. President: The question is:

"That a sum not exceeding Rs. 8,36,41,000 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, 1932, in respect of 'Loans and Advances bearing Interest'."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Monday, the 16th March, 1931.

LEGISLATIVE ASSEMBLY.

Monday, 16th March, 1931.

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

QUESTIONS AND ANSWERS.

RETRENCHMENT OF A MUSLIM FROM THE RAILWAY AUDIT DEPARTMENT, MULTAN.

931. ***Haji Chaudhury Muhammad Ismail Khan** (on behalf of Seth Haji Abdoola Haroon): (a) Will Government be pleased to state whether it is a fact that Mr. Mahomed Sabir Qureshi, B.A., a Muhammadan graduate, who was appointed in the Railway Audit Department, Multan, on the 31st January, 1931, was discharged by the D. A. O., just after 5 days of his appointment on account of retrenchment?

(b) Was there a majority of Mussalmans in the Department concerned that a Mussalman was discharged?

(c) If the answer to part (b) be in the negative, will Government be pleased to state whether a Hindu gentleman who was appointed on a similar post on the same day was not discharged instead of the Muslim?

Mr. A. A. L. Parsons: I have called for the necessary information and shall inform the Honourable Member as soon as possible.

CLAIMS OF MUSSALMANS TO APPOINTMENTS IN THE SIND AND BALUCHISTAN POSTAL CIRCLE.

932. ***Haji Chaudhury Muhammad Ismail Khan** (on behalf of Seth Haji Abdoola Haroon): (a) Has the attention of Government been drawn to an article under the heading "Injustice to Mussalmans in Sind and Baluchistan Postal Circle", which was published in the *Daily Al Wakid* of Karachi in its issue of the 10th February, 1931?

(b) Will Government be pleased to state whether the figures given in the said article are true?

(c) If the answer to part (b) be in the affirmative, will Government be pleased to state what action they propose to take in the matter?

Mr. J. A. Shillidy: Government have not seen the article. An enquiry will be made and the information will be furnished to the Honourable Member when received.

HINDU OFFICIALS IN THE KARACHI GENERAL POST OFFICE AND ITS TOWN SUB-OFFICES.

933. ***Haji Chaudhury Muhammad Ismail Khan** (on behalf of Seth Haji Abdoola Haroon): Will Government be pleased to give the following information: (i) the total number of Hindu officials on the clerical cadre now working in the Karachi General Post Office and its town

sub-offices, and (ii) the number of Hindu officials on the clerical cadre now working in the Karachi General Post Office and its town sub-offices who belong to Sahiti (Nawabshah District)?

Mr. H. A. Sams: (i) 130.

(ii) 36.

APPOINTMENTS HELD BY MUSLIMS IN THE SIND AND BALUCHISTAN POSTAL CIRCLE.

934. ***Haji Chaudhury Muhammad Ismail Khan** (on behalf of Seth Haji Abdoola Haroon): Will Government be pleased to state the total number of lower selection grade appointments in the Sind and Baluchistan Postal Circle, and the number of lower selection grade appointments held by Muslims?

Mr. H. A. Sams: With your permission, Sir, I propose to reply to questions Nos. 934 and 939 together as the former, and part (a) of the latter, are the same. As regards parts (a), (b) and (c) of the latter, the information wanted by the Honourable Member has been called for and will be supplied to him in due course.

As regards part (d), the reply is in the affirmative. The Director makes his selections in accordance with the rules laid down by the Director-General and it is within his discretion to decide what clerks fulfil the prescribed conditions. With regard to the last part, the reply is in the affirmative.

APPOINTMENT OF MUSLIMS IN THE KARACHI GENERAL POST OFFICE.

935. ***Haji Chaudhury Muhammad Ismail Khan** (on behalf of Seth Haji Abdoola Haroon): Will Government be pleased to state whether it is a fact that there are about 16 lower selection grade officials in the Karachi Head Office and that all these with the exception of one Town Inspector are held by Hindus? If so, what steps do Government propose to take to bring over a sufficient number of Muslim selection grade officials to safeguard the interests of Muslim time-scale officials?

Mr. J. A. Shillidy: The answer to the first part of the question is that the fact is substantially correct.

As regards the second part, I understand that the words "bring over" mean transfer and that the suggestion is that some Muslim lower selection grade officials should be transferred to the lower selection grade posts in the Karachi Head Office. The Government of India do not consider it necessary to adopt the suggestion, as the interests of all officials in the time scale are adequately safeguarded by the right of appeal to the proper authorities.

TRANSFER OF HINDU OFFICIALS FROM THE KARACHI GENERAL POST OFFICE.

936. ***Seth Haji Abdoola Haroon:** (a) Are Government aware that there are certain selection grade Hindu officials belonging to Sahiti, Nawabshah District who have remained in the Karachi General Post Office, for a considerable number of years in contravention of orders issued by the Director-General to the effect that no official should remain at one place for more than three years?

(b) If so, do Government intend to take immediate action for their transfer from Karachi General Post Office?

Mr. H. A. Sams: (a) and (b). Government have no information and they do not propose to take any action, as there are no such orders of the Director-General. The orders which the Honourable Member doubtless has in mind refer only to certain categories of officials.

APPOINTMENT OF MUSLIMS IN THE OFFICE OF THE DIRECTOR-GENERAL OF POSTS AND TELEGRAPHS.

937. ***Seth Haji Abdoola Haroon:** (a) Will Government be pleased to state the number of Muslim clerks in the office of the Director-General, Posts and Telegraphs, and whether the average fixed by the Government of India for recruiting Muslims is properly followed by the Director-General?

(b) Will Government be pleased to state whether it is a fact that there are 15 appointments of office Superintendents in the office of the Director-General, Posts and Telegraphs and that all these appointments are held only by Hindus? If so, why? Will Government be pleased to state whether they propose to take immediate steps to bring over a sufficient number of Muslim officials from other Circles to keep up the required average?

Mr. J. A. Shillidy: (a) The number of Muslim clerks and assistants employed in the office of the Director-General is 21. Special attention has been paid to the recruitment of Muslims since 1923.

(b) The attention of the Honourable Member is invited to my reply to parts 1 (b) and (2) of Khan Bahadur Haji Wajihuddin's unstarred question No. 231 in this House on the 23rd February, 1931.

APPOINTMENT OF MUSLIM POSTMEN, ETC., IN THE KARACHI GENERAL POST OFFICE.

938. ***Seth Haji Abdoola Haroon:** (a) Is it a fact that there are 152 postmen including overseers, readers and reserve postmen and 59 packers in the Karachi General Post Office and its sub-offices out of which there are only 31 Muhammadans in the former and 16 in the latter?

(b) Is it a fact that there are some orders of the Director-General or the Government of India to the effect that recruitment in the postmen cadre is to be made from the telegraph messengers of the General Telegraph Office as far as possible and that men in that office are mostly Hindus? What action do Government propose to take for the protection of Muslim interests in that cadre?

(c) Is it a fact that the men on the waiting list amongst the postmen and packers in Karachi are predominantly Hindus? What action do Government propose to take to safeguard Muslim interests?

(d) Will Government be pleased to state why the recruitment of other communities is not withheld till the average fixed by the Government is reached?

(e) Are Government aware that the population of Sind is predominantly Muslim and that Muslim representation in this Department is only nominal? Why should not the Muslims be given a major portion of the appointments in this Department? If not, why not?

Mr. H. A. Sams: (a) The information will be collected and furnished to the Honourable Member.

(b) There are orders to the effect that in filling up vacancies in the postmen's cadre, preference should be given to qualified Telegraph Messengers and other inferior servants of the Department, but Government have no information whether the men of the General Telegraph Office, presumably of Karachi, are mostly Hindus. Muslim interests in the cadre of postmen are protected directly by the reservation of one-third of the vacancies filled by direct recruitment, whenever made, to that cadre for the redress of communal inequalities. It is also protected indirectly by the reservation of one-third of the vacancies in the cadre of inferior servants for the same purpose.

(c) Government have no information regarding the communal composition of the men on the waiting list. The latter part of the question does not arise.

(d) and (e). The Honourable Member is referred to the reply given in this House on the 30th January, 1929, by the Honourable Sir Bhupendra Nath Mitra to Mr. Anwar-ul-Azim's starred question No. 330.

APPOINTMENTS HELD BY MUSLIMS IN THE SIND AND BALUCHISTAN POSTAL CIRCLE.

1939. ***Seth Haji Abdoola Haroon:** (a) Will Government be pleased to state the number of selection grade appointments in Sind and Baluchistan Postal Circle and how many of them are being held by Muslims?

(b) Will Government be pleased to state the number of candidates on the waiting list who have passed the selection grade examination and how many of them are Muslims?

(c) Will Government be pleased to state the number of candidates allowed to sit in the last selection grade examination? How many Muslims were nominated and actually allowed to appear in the said examination?

(d) Were discretionary powers given to the Director to nominate any junior deserving men at the last selection grade examination? If so, was this privilege extended to the Muslims? If not, why not? Are the Mussalmans in a minority in the Circle (Sind-Baluchistan Circle)?

APPOINTMENT OF A MUSLIM ACCOUNTANT IN THE DELHI GENERAL POST OFFICE.

940. ***Seth Haji Abdoola Haroon:** (a) Is it a fact that Mr. Mukand Behari Lal, Accountant, Delhi General Post Office, was transferred from Delhi some time back on the charge of inciting postmen to strike and on account of his anti-Muslim tendencies?

(b) Is it a fact that Mr. Mukand Behari Lal was never to be reposted to Delhi according to the orders then issued?

(c) Will Government be pleased to state whether the orders prohibiting the re-transfer of Mr. Mukand Behari Lal to Delhi were taken into consideration before sending him to Delhi a year back?

(d) Have Government considered the desirability of posting a Muslim accountant in the Delhi General Post Office?

†For answer to this question, see answer to question No. 934.

Mr. H. A. Sams: Government have no information. The matter is within the competence of the Postmaster-General, Punjab and North-West Frontier, to whom a copy of the question is being sent.

Mr. Gaya Prasad Singh: May I know the authority on which the Honourable Member has made an untrue statement in this question?

Seth Haji Abdoola Haroon: I have got some information.

Mr. Gaya Prasad Singh: Is the Honourable Member prepared to substantiate his charge on the floor of the House when casting a reflection on a Government servant?

Seth Haji Abdoola Haroon: Yes, when the occasion will arise.

DISCHARGE OF MUSLIM WATER SPRINKLERS ON THE NORTH WESTERN RAILWAY.

941. ***Seth Haji Abdoola Haroon:** (a) Has the attention of Government been drawn to an article under the heading "Calamity on one hundred and ten Mussalmans" which was published in the *Daily Inqilab* of Lahore in its issue of the 24th February, 1931, which shows that in the Delhi Divisional Commercial Department (North Western Railway) 110 Muslim water sprinklers are intended to be discharged under retrenchment?

(b) Will Government be pleased to state whether the information contained therein is correct?

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

(b) The permanent establishment of watermen has had to be reduced by 111 posts; 96 Muslim watermen and 17 Hindu watermen. The sanctioned establishment now stands at 102 Muslim watermen and 198 Hindu watermen.

PAY AND ALLOWANCES OF PEONS OF THE KARACHI CUSTOM HOUSE.

942. ***Seth Haji Abdoola Haroon:** (a) Is it a fact that peons of Karachi Custom House receive as salary Rs. 16 per mensem?

(b) Is it a fact that peons of all other Government Departments receive as salary Rs. 20 or over per mensem?

(c) Do Government propose to look into the matter and see that salaries of Karachi Custom House peons are put up to a minimum of Rs. 20 per mensem, as in other departments?

(d) Will Government be pleased to state whether it is a fact that peons of Karachi Custom House when on probational leave get half of their pay, viz., Rs. 8 without any allowance, house rent, etc., which they otherwise get?

(e) Is it a fact that peons of all other Government Departments receive their full pay including allowance, house rent, etc., when on probational leave?

(f) Do Government propose to look into the matter and see that the peons of Karachi Custom House are treated as those in other Departments?

(g) Will Government be pleased to state whether it is a fact that peons of all Government Departments get half of their pay when they retire on pension?

(h) Is it a fact that the peons of Karachi Custom House when they retire on pension get only one-fourth of their pay, viz., Rs. 4?

(i) If the answer to part (h) be in the affirmative, are Government prepared to look into the matter and see that the peons of Karachi Custom House are treated similarly to those of other Government Departments?

The Honourable Sir George Schuster: The information asked for by the Honourable Member is being obtained and will be supplied to him as soon as it is received.

INVESTMENT OF THE GOLD STANDARD RESERVE AND AMOUNT AND TERMS OF STERLING LOANS.

943. ***Seth Haji Abdoola Haroon:** (a) Will Government be pleased to lay on the table a statement showing how the amount of the Gold Standard exchange Reserve of £40 million sterling is invested, and the rate of interest, etc.?

(b) Will Government be pleased to lay on the table a statement showing the total amount borrowed by Government in England and the rate of interest during the last year?

The Honourable Sir George Schuster: (a) The statements showing the position of the Gold Standard Reserve published quarterly in the Gazette of India give the information required by the Honourable Member. The latest statement for the quarter ending the 31st December, 1930, has been published in the Gazette of India of the 7th March, 1931.

(b) The attention of the Honourable Member is invited to the reply given by me on the 26th January, 1931, to part (a) of Dr. Ziauddin Ahmad's starred question No. 13.

RECENT CONVICTIONS IN THE NORTH-WEST FRONTIER PROVINCE.

944. ***Seth Haji Abdoola Haroon:** (a) Will Government be pleased to state the number of persons jailed in the North-West Frontier Province since the commencement of the civil disobedience movement under the Frontier Crimes Regulation Act and during the last five years?

(b) Will Government be pleased to state with reference to the Murderous Outrages Regulation of 1901, whether during the last 30 years there has been a case wherein the offence took place in any of the five settled districts of the North-West Frontier Province and the fire-arm missed fire (i.e., it did not go off) and the offender was tried, convicted and sentenced to death?

Mr. J. G. Acheson: The information is being obtained and will be communicated to the Honourable Member in due course. The Honourable Member will understand that its answer will require an exhaustive examination of the records of the five districts.

With regard to (a) of the question, however, from such information as is available, it appears that approximately 244 persons in the North-West Frontier Province were imprisoned under the Security sections of the Frontier Crimes Regulation from the 6th April, 1930, to the 31st January, 1931.

POLICE AND MILITARY ACTION AT CHARSADDA.

945. ***Seth Haji Abdoola Haroon:** (a) Has the attention of Government been drawn to the statement made to the Press by Khan Ali Gul Khan and Mian Sahab Jafar Shah, two prominent leaders of the North-West Frontier Province, and published in the *Hindustan Times* in its issue dated the 4th March, 1931, in connection with the police firing in Charsadda?

(b) Is it true that large forces of police, military and cavalry were concentrated at Utmanzai, on the 7th January and on the 7th February, 1931?

(c) If the answer to part (b) be in the affirmative, will Government be pleased to state the reasons which led them to do so?

(d) Is it a fact that on both these occasions the police looted the houses belonging to the volunteers of the *Khudayi Khidmatgar* movement, and stole some cattle and took away their household utensils?

(e) Is it true that on the 15th of February, 1931, large forces of police and military with fixed bayonets patrolled in Charsadda and terrorised the inhabitants and shopkeepers?

(f) Is it true that on the night of 20th February, 1931, a large police and military force gathered at Utmanzai?

(g) Did Government apprehend any breach of peace to necessitate such concentration of forces?

Mr. J. G. Acheson: (a) Yes, Sir.

(b) No. On January 8th, however Utmanzai was visited by a column of troops which was on a training tour in the neighbourhood.

(c) Does not arise.

(d) No.

(e) No.

(f) No. A force of 215 police and 32 mounted Frontier Constabulary supported by a squadron of cavalry and a company of infantry reached Utmanzai on the morning of the 21st February.

(g) Yes, for the reasons given in my answer to the next question.

Maulvi Muhammad Shafee Daoodi: How can supplementary questions be asked if the reasons are to be given in the answer to the next question?

Mr. J. G. Acheson: Perhaps the Honourable Member will kindly ask his supplementary question in connection with the answer to the next question.

POLICE AND MILITARY ACTION AT UTMANZAI.

946. ***Seth Haji Abdoola Haroon:** (a) Is it true that each and every person who went to attend the meeting at Utmanzai on the 21st February, 1931, was subjected to a very careful search of their pockets and person?

(b) Were not Government aware that the meeting was convened for the purpose of paying tributes to the memory of two prominent Indian leaders, namely, Maulana Muhammad Ali and Pandit Motilal Nehru?

(c) Is it true that soon after the meeting had assembled a large force of police, infantry and cavalry, formed a cordon round the meeting, and an aeroplane was also hovering above?

(d) Is it true that when the meeting was in progress, suddenly and without warning two British officers on horseback charged the crowd, one of them firing all the time?

(e) Is it true that immediately after this the police, infantry and cavalry charged the assemblage with *lathis*, bayonets and some firing at the same time?

(f) Is it true that as a result of this firing two died on the spot and 100 were injured out of whom two more have died since, bringing the total number of deaths to four and injured to 98?

(g) Is it true that medical aid was refused to the injured men?

(h) Is it true that when the wounded men were being removed by the public to Peshawar for medical aid being given, the police and military prevented this and arrested the wounded men and locked them up in jail?

(i) Are Government aware that as a result of this action two have died and several are lying in a precarious condition?

(j) Is it true that the day after these incidents, *viz.*, on the 22nd February, 1931, Utmanzai was again occupied by the police and military?

(k) Is it true that on the 22nd February, 1931, Dr. Khan Sahib's dispensary was searched by the police? If so, why?

Mr. J. G. Acheson: (a) No, Sir.

(b) No, Sir, as is evident from the poster advertising the proposed meeting, which contains no mention of the object mentioned in the question, but only of the holding of a demonstration outside Charsadda Tahsil in defiance of Government orders prohibiting such meetings.

(c) Three platoons of police only were drawn up on three sides of the crowd. The infantry and cavalry did not form a cordon round the meeting and took no part in the dispersal of it, but were merely held in reserve. An aeroplane was used merely to ascertain beforehand and inform the local authorities where the meeting was to be held.

(d) and (e). These allegations are entirely untrue.

(f) The casualties to the rioters so far as is known were 2 killed by firearms and between 50 to 60 injured with *lathis*. The cause of the deaths was, under the orders of the Deputy Commissioner, enquired into under section 176 of the Criminal Procedure Code by a First Class Magistrate on the 25th and 26th February.

(g) No.

(h) Some slightly injured rioters, who were being taken in lorries to Peshawar, were arrested. Of these, one had a flesh wound in the arm and the remainder small scratches and contusions. They received medical aid in jail.

(i) If the action of which the Honourable Member speaks is that referred to in (h) above, the answer is in the negative. If not, the answer is that given in reply to (f) above.

(j) No. Utmanzai was not so occupied. A force however, proceeded there on that date in order to arrest persons charged as leaders of rioting on the previous day.

(k) The living rooms above the dispensary were searched. The object of the search was a cyclostyle which it is believed was used for the printing of posters issued in connection with the meeting. The cyclostyle was not found.

Maulvi Muhammad Shafee Daoodi: How was the dispersal order communicated to the people who were collected there?

Mr. J. G. Acheson: The order was communicated by the Assistant Commissioner shortly before the dispersal of the crowd.

Maulvi Muhammad Shafee Daoodi: Will the Honourable Member assure the House that there is no definite evidence of the fact that the Assistant Commissioner communicated the order?

Mr. J. G. Acheson: I think I cannot do better than invite the attention of the Honourable Member to the findings of the Magistrate who conducted the enquiry into this matter.

Maulvi Muhammad Shafee Daoodi: Will the Honourable Member kindly read out the finding of the Magistrate so that we may know what it contains?

Mr. J. G. Acheson: I am sorry I have not got the copy of the finding here but I shall be quite prepared to lay it on the table of the House or to supply it to the Honourable Member.

Maulvi Muhammad Shafee Daoodi: I shall be glad to have a copy of it.

Mr. J. G. Acheson: Certainly, Sir.

INQUIRY INTO HAPPENINGS IN THE NORTH-WEST FRONTIER PROVINCE.

947. ***Seth Haji Abdoola Haroon:** (a) Are Government aware of the strong feeling prevailing in the minds of the public in general and Muslims in particular over the happenings in North-West Frontier Province?

(b) Are Government prepared to appoint a non-official committee of this House to inquire into these allegations and submit a report? If not, why not?

Mr. J. G. Acheson: (a) Yes, Sir. Government are alive to the concern felt by a considerable section of public opinion over the events of the past year in the North-West Frontier Province. As the House is aware the difficult administrative and constitutional problems with which the Local Government are now faced are engaging their close and constant attention and also that of the Government of India.

(b) No, Sir. The appointment of a Committee as suggested is not likely to promote the restoration of peace and normal conditions which it is the object of all to secure.

PUBLICATION OF THE STATE RAILWAYS TIME TABLE IN URDU.

948. *Kunwar Hajee Ismail Ali Khan: (a) Are Government aware that the Time Table of the State-managed Railways is published in English and Hindi, but not in Urdu, which is widely understood in India?

(b) Are Government prepared to give directions to the authorities concerned to give facilities to the Urdu-knowing public by publishing the Time Table in Urdu?

Mr. A. A. L. Parsons: (a) and (b). On State-managed railways the following vernacular sheet time-tables are displayed at stations:

On the North Western Railway	In Urdu and Hindi at all stations and also in Sindhi at stations in Sindh.
On the Great Indian Peninsula Railway	In Hindi and Malhatti.
On the Eastern Bengal Railway	In Bengali.
On the East Indian Railway	In Bengali, Urdu and Nagri.

Information is being obtained as to what vernacular time-tables in book form are now published by these railways and I will communicate with the Honourable Member later.

LANGUAGE CLASSIFICATION FOR THE CENSUS OF THOSE USING URDU.

949. *Kunwar Hajee Ismail Ali Khan: (a) Has the attention of Government been drawn to the editorial note of the Urdu Daily Millat of Delhi dated the 5th March, 1931, headed "Mardum shumari aur Urdu kai sath dushmani" (Census and animosity with Urdu)?

(b) Have Government issued any instructions that Hindustani should be written for the language of those who claim Urdu as their mother tongue?

(c) If not, do Government intend to take action on the complaint voiced by the Millat?

The Honourable Sir James Crerar: (a) Yes.

(b) The terms Urdu and Hindi have been retained to distinguish the written language by those provinces which require such a record. As regards the spoken language the word "Hindustani" has been used, as at last Census, to cover both Urdu and Hindi.

(c) Does not arise.

MARKING OF RAILWAY TICKETS IN URDU.

950. *Kunwar Hajee Ismail Ali Khan: (a) Is it a fact that the distance, fare and place are marked on the railway tickets in both English and Hindi and not in Urdu?

(b) If the answer to part (a) be in affirmative, are Government prepared to instruct the authorities concerned to give the facilities to the Urdu-knowing public by marking the railway tickets in Urdu as well?

Mr. A. A. L. Parsons: (a) No. The information printed on tickets is in accordance with the requirements of the Indian Railways Act, in a vernacular language in common use in the territory traversed by the railway. The vernacular used varies on different railways and on different sections of some railways, and in certain cases it is Urdu.

(b) Does not arise.

APPOINTMENT OF A MUSLIM TO THE IMPERIAL LIBRARY, CALCUTTA.

951. *Mr. Muhammad Anwar-ul-Azim: (a) Is it a fact that the post of a permanent clerk has fallen vacant in the Imperial Library owing to the recent death of a permanent member of its staff? If so, how is it contemplated to fill the said vacancy?

(b) Is it a fact that there are only two permanent Muslims as against 13 Hindus on the clerical staff of the Imperial Library?

(c) If the answer to part (b) be in the affirmative, will Government be pleased to state what steps they propose to take in order to give the Muslims their due share on the staff of the Imperial Library and whether they would fill the vacancy referred to in part (a) above by appointing a Muslim?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Yes. The matter is under the consideration of the Council of the Imperial Library.

(b) Yes.

(c) A copy of the question and answer will be forwarded to the Council of the Imperial Library.

Mr. Muhammad Anwar-ul-Azim: Sir, the next question (No. 952) has already been answered.

REFUSAL OF CALCUTTA-DELHI TRANSFER CONCESSIONS TO CERTAIN CLERKS IN THE OFFICE OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.

953. *Mr. Muhammad Anwar-ul-Azim: (a) Is it a fact that certain clerks of the Camp Office, Simla, of the Director General of Posts and Telegraphs, who have been refused the grant of Calcutta-Delhi transfer concessions have since been detached from the Camp establishment and retained in Delhi permanently?

(b) Is it a fact that by retention of the above mentioned clerks in Delhi they are losers by at least Rs. 1,000 per annum each in their emoluments?

(c) Is it a fact that, for the loss of the considerable amount referred to in part (b) above, the clerks so affected have not yet been compensated to any extent, in any shape, in spite of the promises made by Mr. Rogers on the floor of this House on the 8th of September, 1928, vide para. (iii) of the replies to my starred question No. 226?

(d) Is it a fact that those clerks who were brought up from Calcutta to Delhi, are not losing anything in any way in their emoluments, but have been granted the concessions?

(e) If the replies to parts (a), (b), (c) and (d) above be in the affirmative, will Government be pleased to state whether the clauses of rules and regulations dealing with the questions of equity have been deleted or are

not in any way applicable in the case of these poorly paid actual sufferers? Is it a fact that *on an office file*, for no fault of their's these men have already been declared *malcontents* by the authorities, who dealt with my unstarred question No. 414 answered on the 20th day of September, 1928?

(f) If the reply to any portion of part (e) above be in the negative, what objection, if any, have Government in furnishing the House with satisfactory replies justifying the grant of concessions to those clerks who were not at all losers in any way and the refusal of concessions to those clerks who are actually losers all round?

Mr. J. A. Shillidy: (a) Yes.

(b) The reduction in emoluments consists in the withdrawal of the allowances admissible under the Simla Allowances Code. These allowances were granted to meet the special circumstances of Simla, and their withdrawal on the permanent location of the staff at Delhi cannot therefore be regarded as a loss.

(c) In part (iii) of his reply on the 8th September, 1928, Mr. Rogers stated that the question of compensation to the staff of the Wireless Branch would be considered on their transfer to Delhi. The case of the clerks of the Wireless Branch was examined and such of them as were entitled to any concession have been granted it. As regards the remaining members of the Simla Camp Office establishment and the question of compensation, a reference is invited to the reply given by the Honourable Sir Bhupendra Nath Mitra to Maulvi Muhammad Yakub's starred question No. 135 on the 4th September, 1929.

(d) Yes. The grant of the concessions to the staff permanently transferred from Calcutta to Delhi was justified on grounds other than the cancellation of the Simla allowances.

(e) The first part of the question does not arise in view of the replies to (b) and (c) above. With respect to the second part, Government are not prepared to divulge the nature of any notes in their office files, which are confidential, and which may not be treated otherwise without grave impropriety. It would appear some one has been communicating notes on files which are confidential to the Honourable Member. The Director-General is investigating the matter and shall take the necessary disciplinary action against anyone guilty of this misconduct.

(f) Does not arise in view of the reply to (e) above.

RETRENCHMENT OF POSTAL ORDERLY PEONS IN BENGAL.

954. ***Mr. Muhammad Anwar-ul-Azim:** (a) Is it a fact that the postal retrenchment has commenced with the abolition of the orderly peons of the 1st Class Postmasters in charge of district offices in Bengal? If so, who will now do the orderly peons' duties?

(b) Will Government kindly state how many orderly peons are sanctioned for

- (i) the Director-General of Posts and Telegraphs, India,
- (ii) each of the Deputy Directors-General,
- (iii) each of the Assistant Directors-General,
- (iv) Superintendent, office of the Director-General,

- (v) Office of the Director-General,
- (vi) each Postmaster-General;
- (vii) each Deputy Postmaster-General,
- (viii) each Assistant Postmaster-General,
- (ix) each Office Superintendent, Postmaster-General's Office,
- (x) each Office of the Postmaster-General,
- (xi) each Range Officer, in Bengal and Assam,
- (xii) each office of the Range Officer, in Bengal and Assam,
- (xiii) each Superintendent of Post Offices and Railway Mail Service,
- (xiv) each Inspector of Post Offices and Railway Mail Service,
- (xv) each Presidency Postmaster,
- (xvi) each Deputy Presidency Postmaster,
- (xvii) each Assistant Presidency Postmaster,
- (xviii) Postmasters, Rangoon, Lahore, Karachi, Madras, Delhi, Poona, Patna, and Mandalay, and
- (xix) each Assistant Postmaster, Rangoon and Madras General Post Offices?

(c) What are the grounds for (i) giving two orderly peons to a Superintendent of Post Offices and (ii) for not giving any orderly peon to a District Postmaster? Has not the District Postmaster, like the Superintendent, both indoor and outdoor duties? Is it not a fact that a District Postmaster or a 1st Class Postmaster has a larger office than the office of a Superintendent of Post Offices?

(d) How many orderly peons of the officers shown under part (b) have been abolished as a measure of economy?

Mr. H. A. Sams: (a) The orderly peons of three 1st class Postmasters in Bengal were abolished by the Postmaster-General as they were found not to be justified on public grounds.

(b) and (d). Government have not the information and do not consider that any public purpose would be served by calling for it.

(c) The number of orderly peons is fixed with reference not to the status of offices concerned but to the exigencies of the public service.

EDUCATION OF MUSLIM GIRLS IN DELHI.

955. ***Khan Bahadur Haji Wajihuddin:** (a) Has the attention of Government been drawn to a note entitled "Miss Mitra Sahiba" published at pages 2 and 3 of the *Khawaja School Gazette*, Delhi, dated the 24th January, 1931?

(b) If the reply to part (a) above be in the affirmative, will Government please state whether they have inquired into the allegation made in the said note to the effect that Miss Mitra, the Assistant Superintendent of Female Education, Delhi, does not care for the education of Muslim girls? If so, with what result? If not, why not?

(c) Is it a fact that Miss Mitra, Assistant Superintendent of Female Education, Delhi, has been exercising pressure on the Muslim school-mistresses under her charge to discard the *purdah* system?

(d) Will Government please state how long Miss Mitra has held the office of the Assistant Superintendent of Female Education in Delhi?

(e) How many (i) Muslim girls' schools, and (ii) non-Muslim girls' schools have been recognised and aided by the Department of Education, Delhi, since Miss Mitra's appointment as Assistant Superintendent of Female Education, Delhi?

(f) Is it a fact that nothing has been done by the Department of Education, Delhi, to encourage female education among the Muslims since Miss Mitra's appointment as Assistant Superintendent of Female Education?

(g) How many (i) Muslim girls, and (ii) non-Muslim girls have been admitted as stipendiary students to the Training School for Women, Delhi, since Miss Mitra's appointment as Assistant Superintendent of Female Education?

(h) How many (i) Muslims, and (ii) non-Muslims have been appointed as school-mistresses in the girls' schools maintained by Government and local bodies in the Delhi Province during Miss Mitra's tenure of office as Assistant Superintendent of Female Education?

(i) Do Government propose (i) to take any steps to encourage female education among Muslims in Delhi, and (ii) to remove communal inequalities in the girls' schools in Delhi? If so, what? If not, why not?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Yes.

(b) No. Government see no justification for an enquiry into the allegation made, as the only ground on which it is based is that the Assistant Superintendent of Female Education had not acknowledged, by the 24th January, 1931, receipt of an application made on the 22nd December, 1930, for the recognition of a newly opened girls' school.

(c) and (f). No.

(d) Since the 14th November, 1918.

(e), (g) and (h). The information asked for is being obtained and will be furnished to the Honourable Member on receipt.

(i) Government already take all possible steps to encourage female education among Muslims by means of inspection, recognition, grants-in-aid, stipends and scholarships. They have no evidence that there are communal inequalities in girls' schools in Delhi, but enquiries will be made into any specific instances which are brought to their notice.

TRANSFER OF NON-MUSLIM TEACHERS FROM THE GOVERNMENT HIGH SCHOOL, DELHI.

956. *Lieut. Nawab Muhammad Ibrahim Ali Khan: With reference to Government's reply to starred question No. 753 asked in the Legislative Assembly on the 21st March, 1930, will Government please state what steps they have taken to remove the long standing grievances of Muslims in the matter of transfer of non-Muslim teachers, who have been on the staff of the Government High School, Delhi, for more than 10 years?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: One Hindu teacher has already been replaced by a Muslim teacher and the replacement of another is under consideration.

APPOINTMENT OF A MUSLIM AS HEADMASTER OF THE GOVERNMENT HIGH SCHOOL, DELHI.

957. *Lieut. Nawab Muhammad Ibrahim Ali Khan: With reference to Government's reply to starred question No. 752 asked in the Legislative Assembly on the 21st March, 1930, purporting that no Muslim has ever been Headmaster of the Government High School, Delhi, will Government please state whether they propose to take a Muslim Headmaster from the Punjab to hold the post of the Headmaster, Government High School, Delhi, on the retirement of the present Headmaster of the said High School?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: The suggestion of the Honourable Member will be considered when the present Headmaster retires towards the end of this year.

RECRUITMENT OF ACCOUNTANTS TO THE CALCUTTA OFFICES OF THE PRINTING AND STATIONERY DEPARTMENT.

958. *Haji Chaudhury Muhammad Ismail Khan (on behalf of Mr. M. Maswood Ahmad): (a) Is it a fact that an examination for the recruitment of accountants in the Calcutta Offices of the Printing and Stationery Department will be held in September or October, 1931?

(b) If the reply to part (a) be in the affirmative, will Government please state how many applications have been so far received and what safeguards have been made for minority communities?

Mr. J. A. Shillidy: (a) Yes. The examination is intended to be a qualifying test for making promotions to the grade of Accountant from the clerical staff of the Stationery and Printing Department.

(b) The nomination of candidates for the examination will be made in the month of July. It is open to members of the minority communities employed in the Stationery and Printing Department possessing the necessary educational qualifications to apply through the Heads of their offices for permission to appear in the examination.

RECRUITMENT AND TRAINING OF MUSLIMS FOR THE PRINTING TRADE.

959. *Haji Chaudhury Muhammad Ismail Khan (on behalf of Mr. M. Maswood Ahmad): (a) Will Government please state how many apprentices have so far been recruited and trained for the printing trade in the United Kingdom?

(b) How many of them are Muslims?

(c) How many apprentices are recruited each year in the Calcutta Press for training and how many are Muslims?

(d) If no Muslims are recruited, why not?

Mr. J. A. Shillidy: (a) and (b). Five apprentices have been recruited and sent to England for training. Of these, one is a Muslim.

(c) One apprentice is recruited each year for training in the Government of India Press, Calcutta. Two Muslims are at present under training in the Press.

(d) Does not arise.

APPOINTMENT OF MUSLIMS TO HIGHER POSTS IN THE GOVERNMENT OF INDIA PRESS, DELHI.

960. ***Haji Chaudhury Muhammad Ismail Khan** (on behalf of Mr. M. Maswood Ahmad): (a) Is it a fact that all the higher posts in the Government of India Press, Delhi, are occupied by non-Muslims? Is it a fact that, since the Delhi Press was started, no Muhammadan has been occupying posts in the following capacities: Assistant Manager, Head Assistant, Head Reader, Accountant and Cashier, General Store Keeper, Head Computer and Assistant?

(b) Will Government please lay on the table of the House a statement showing the total strength of the clerical establishment and how many of them are Muhammadans?

(c) What steps do Government propose to take to rectify the paucity of the Muhammadans in the supervising staff of the Government of India Press, Delhi?

Mr. J. A. Shillidy: (a) I am not sure what the Honourable Member means by "higher posts" but it is a fact that the posts named in the question have not been held by Muslims in the Delhi Press. The following supervisory posts are, however, held by Muslims:

Machine Room Foreman	1
Bindery Foreman	1
Section-holder	1
Section-holders (Offg.)	2

(b) The total strength of the clerks on the permanent establishment is 37, of which 7 are Muslims; 3 Muslim clerks are also employed on the fluctuating establishment.

(c) As far as these posts are filled by promotion, communal grounds cannot be taken into consideration. But when direct appointments are made the usual policy of Government regarding minority representation in services is being followed.

TRANSFER OF CERTAIN CLERKS FROM THE RAILWAY BOARD'S OFFICE TO THE OFFICE OF THE CONTROLLER OF RAILWAY ACCOUNTS.

961. ***Mr. Jagan Nath Aggarwal:** (a) Is it a fact that the Statistical Branch of the Railway Board was transferred to the office of the Controller of Railway Accounts last year?

(b) Is it a fact that in that Branch some temporary men of the Railway Board were transferred to the Controller of Railway Accounts' Office with clear hopes of confirmation in that office very soon?

(c) If the reply to part (b) be in the affirmative, will Government please state whether they have since been confirmed? If not, why not?

(d) Is it a fact that out of these temporary men who were transferred from the Railway Board there are three men who were declared qualified by the Public Service Commission?

(e) Is it a fact that the Office of the Controller of Railway Accounts is considered one of the attached offices and does not move between Simla and Delhi?

(f) If so, why were these qualified temporary men transferred to the Office of the Controller, Railway Accounts, which is an attached office?

(g) Was the consent of these men taken before the transfer was made? If not, why were the qualified men selected for transfer to the Controller of Railway Accounts' Office in that Branch in preference to unqualified men?

(h) With reference to a reply given to question No. 172, dated the 11th February, 1931, to the effect that at present there were one Second Division and nine Third Division unqualified men working in the Railway Board, will Government please state the justification for keeping these unqualified men in the moving of the Secretariat Office particularly in preference to the qualified men transferred to the Controller of Railway Accounts' Office with the Statistical Branch?

(i) Will Government please state the number of temporary men working in the Railway Board when the Statistical Branch was transferred to the Controller of Railway Accounts' Office and how many of them were kept behind in the Railway Board and how many were so transferred? How many were unqualified men amongst the men who remained in the Railway Board?

(j) Have Government ever enquired from the qualified men transferred to the Controller of Railway Accounts' Office whether they were willing to go back to the Railway Board or not?

(k) Is it a fact that in the Government of India offices qualified men are shown senior to unqualified men and are so considered for permanency and always shown preference? If so, why should the Railway Board be an exception?

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

(b) and (c). Some temporary men were transferred to the Controller of Railway Accounts' Office but no specific undertaking was given that they would be confirmed very soon. Three of them, however, have since been confirmed.

(d) No. The number is 2.

(e) The Office of the Controller of Railway Accounts is not an attached office of the Railway Board and does not move to Simla.

(f), (g) and (h). The transfer of the staff was arranged in the interest of the work.

(i) The number of temporary men working in the Railway Board's office at the time of transfer of the Statistical Branch to the C. R. A.'s office was 34. The number of temporary men transferred to the C. R. A.'s office was 8. The number of temporary men not qualifying from the Public Service Commission and retained in the Railway Board's office was 10.

(j) No.

(k) There is no general rule about seniority of temporary men, but in filling up vacancies, as a permanent measure, the principle followed in the Railway Board's office as in other Government of India offices is to give preference to qualified men.

TRAVELLING ALLOWANCE PAID ON TRANSFER TO CERTAIN DAFTRIES AND
RECORD SUPPLIERS.

962. ***Pandit S. N. Sen:** (a) Will Government be pleased to state what rates of travelling allowances have been paid to the Daftries and Record suppliers of:

- (i) the Office of the Director-General of Posts and Telegraphs,
- (ii) the Meteorological Department, and
- (iii) the Office of the Imperial Records,

at the time of their permanent shifting from Calcutta to Delhi, and from Simla to Poona, as the case may have been?

(b) Will Government please state if the rates of travelling allowances referred to in part (a) are uniform?

(c) If the answer to part (b) be in the negative, will Government be pleased to assign the reason for any difference in those rates?

(d) Do Government propose to take early steps to remove the difference, if any, in those rates?

Mr. J. A. Shillidy: (a) (i), (ii) and (iii). The Daftries and Record Suppliers of the office of the Imperial Records were granted third class fares while intermediate class fares were granted to Daftries of the Office of the Director-General, Posts and Telegraphs, and the Director-General of Observatories.

(b) No.

(c) The reason for the difference in the rates is due to the fact that the Daftries and Record Suppliers of the office of the Director-General, Posts and Telegraphs, and of the Meteorological Department who are officers of the fourth grade were allowed travelling allowance admissible to the officers of third grade as a concession. It was realised after this that an unsatisfactory precedent was being created and it was therefore decided not to extend this concession to any other Department.

(d) No.

CONSTRUCTION OF A PERMANENT RAILWAY STATION AT FARIDPUR.

963. ***Pandit S. N. Sen:** (a) Will Government be pleased to state:

- (i) when the railway station at Faridpur (Bengal) was constructed;
- (ii) if the construction is permanent or temporary;
- (iii) if not yet permanent, why not;
- (iv) what the approximate cost of constructing a permanent station there will be; and
- (v) what the annual income from that station is?

(b) Are Government aware of any resolution regarding the Faridpur railway station that has been recently passed at a joint meeting of the Passengers' Association, the Merchants' Association and the Anjuman Public, and endorsed by the Faridpur District Board and Municipality urging the necessity of having a permanent railway station there?

(c) If so, what steps do Government propose to take in the matter?

Mr. A. A. L. Parsons: I am making inquiries on certain points and a reply will be sent to the Honourable Member as soon as all the information has been collected.

ENGLISH TEACHERS IN THE ROYAL INDIAN MILITARY COLLEGE AT DEHRA DUN.

964. ***Mr. B. N. Misra:** (a) Will Government please state how many English teachers there are including the Principal, in the Royal Indian Military College, Dehra Dun, and what are their emoluments, including the basic pay, overseas pay and other allowances?

(b) What were the total emoluments drawn by the various English teachers individually for the last month?

(c) In addition to the above emoluments, what other concessions do they enjoy in the way of free quarters and passages to England, etc.?

(d) How many classes are there in the Royal Indian Military College and what are the class hours taught by each of the English teachers every day?

(e) Do the English teachers know any Indian language? If not, how do they impart instruction effectively to the newly admitted boys of between 11 and 12 years of age?

Mr. G. M. Young: (a) and (b). There are 9 European teachers, including the Principal, and 2 British soldier instructors. I lay on the table a statement showing their rates of pay and allowances.

(c) European teachers, other than the two British soldier instructors, receive the concessions admissible to members of the Indian Educational Service, for example, free passages under the Lee concessions and free medical attendance. They also receive free quarters.

(d) There are nine classes and, in addition, a special class of four new cadets who are backward in English.

In addition to his other duties, the Principal teaches 15 periods a week. The European masters teach between 23 and 30 periods a week. Each European master also turns out at college games for 3 afternoons each week and is on duty as Master of the Day for 24 hours each week.

(e) All European teachers have special lessons in Hindustani to enable them to give instructions to new cadets.

Statement laid on the table with reference to parts (a) and (b) of starred question No. 964.

(a) Pay and allowances of European teachers in the Dehra Dun College.

Principal.—Basic pay Rs. 1,550—100—1,750. Overseas pay Rs. 300. Principal's allowance Rs. 150.

Section Masters (3).—Basic pay Rs. 400 to Rs. 1,500. Overseas pay on scale authorised, which varies according to basic pay. Allowance Rs. 100.

Assistant Masters (5).—Basic pay Rs. 400 to Rs. 1,500. Overseas pay on scale authorised, which varies according to basic pay.

British soldier instructors (2).—Pay and allowances of rank under Army Regulations.

(b) Total emoluments drawn last month by European teachers in the Dehra Dun College.

Principal.—Rs. 1,700 plus £30 overseas pay.

Section Masters.—(1) Rs. 1,300 plus £30 overseas pay.

(2) Rs. 1,200 plus £30 overseas pay.

(3) Rs. 1,100 plus £30 overseas pay.

Assistant Masters.—(1) †Rs. 650 plus £25 overseas pay.

(2) Rs. 600 plus £15 overseas pay.

(3) Rs. 600 including Rs. 150 overseas pay.

(4) Rs. 550 including Rs. 150 overseas pay.

(5) Rs. 550 including Rs. 150 overseas pay.

VERNACULAR TEACHERS IN THE ROYAL INDIAN MILITARY COLLEGE, DEHRA DUN

965. ***Mr. B. N. Misra**: (a) How many vernacular teachers are there in the Royal Indian Military College, Dehra Dun?

(b) What are the emoluments and other concessions granted to these teachers?

(c) What languages are taught by the vernacular teachers?

(d) Is it a fact that vernacular teachers teach subjects other than vernacular languages? If so, why?

Mr. G. M. Young: (a) Three.

(b) Their scale of pay is Rs. 180—10—300 a month. They are granted free quarters or Rs. 30 a month in lieu.

(c) Urdu, Persian, Arabic, Punjabi, Gurmukhi and Hindi.

(d) Yes, but only occasionally and at their own request.

COST AND RESULTS OF THE ROYAL INDIAN MILITARY COLLEGE, DEHRA DUN.

966. ***Mr. B. N. Misra**: (a) What is the total expenditure incurred on the Royal Indian Military College, Dehra Dun, since its inception and how many cadets have passed out of it to qualify in England for the Indian Army?

(b) How many boys have failed to obtain admission to the Cadet College in England and what facilities have been afforded to them to secure any other employment?

(c) How many boys have been removed or withdrawn from this college and for what reasons?

Mr. G. M. Young: (a) The gross total expenditure from 1921-22 to 1929-30 was about Rs. 16,13,000. Receipts amounted to about Rs. 1,26,000 in the year 1929-30.

51 boys trained at Dehra Dun have qualified for admission to the various cadet colleges in England.

(b) 11 cadets who appeared at the Army Entrance Examinations on the completion of their course were unsuccessful. I am endeavouring to obtain the information asked for in the latter part of the question.

†On leave in England.

(c) 13 cadets have been removed and 29 withdrawn from the College for the following reasons:

Removals.		Withdrawals.	
Undesirable	2	Financial reasons	2
Misconduct	1	Medical reasons	9
Educationally backward	7	Educationally backward	10
Financial reasons	1	Private reasons	8
Medical reasons	2		
	13		29

COST AND RESULTS OF THE ROYAL INDIAN MILITARY COLLEGE, DEHRA DUN.

967. ***Mr. B. N. Misra**: What is the total annual budget of the Royal Indian Military College, Dehra Dun, and how many cadets go out of it annually to qualify in England?

Mr. G. M. Young: The revised budget estimate for 1930-31 is Rs. 2,37,000. The receipts in this year amounted to Rs. 1,41,300.

The number of boys who qualify for admission to the cadet colleges in England varies every year. As stated in my reply to question No. 966, 51 boys have qualified at the Army Entrance Examination.

FOOD SUPPLIED TO CADETS IN THE ROYAL INDIAN MILITARY COLLEGE, DEHRA DUN.

968. ***Mr. B. N. Misra**: (a) What kind of food is given to the cadets in the Royal Indian Military College, Dehra Dun, and what is the monthly expenditure per head per month?

(b) Is it a fact that the cadets are given English food and not Indian food? If so, why?

Mr. G. M. Young: (a) The cadets mess in European style except that curries and *chupatties* are also given, and no beef or pork is allowed inside the mess or the kitchen.

The monthly expenditure on food for each cadet is a little over Rs. 56.

(b) Yes, so as to accustom the boys to the food which they will receive in cadet colleges in England.

SUBJECTS TAUGHT IN THE ROYAL INDIAN MILITARY COLLEGE, DEHRA DUN.

969. ***Mr. B. N. Misra**: (a) What subjects are taught in the Royal Indian Military College, Dehra Dun?

(b) Does military training form a subject of instruction in this College?

(c) If the reply to part (b) above be in the negative, why is this College called a military college?

(d) Is the instruction imparted in this College in any way different from that of a public school in India?

(e) Is it a fact that the Diploma examination of this College is equivalent to the Matriculation examination of the Indian Universities?

(f) If the reply to part (e) above be in the affirmative, what is the justification for running such an expensive college?

Mr. G. M. Young: (a) *Obligatory subjects:* English, History, Geography, Mathematics, Science, Indian languages, Physical Training, Gymnastics and games.

Optional subjects: Higher Mathematics, British Imperial History and Drawing.

(b) No.

(c) Because it trains students for the Army Entrance Examination.

(d) Government have no information.

(e) Yes, it has been accepted as such by leading universities in India.

(f) The Dehra Dun College produces, by common consent, by far the best officer recruits for the Indian Army under the present system. But the whole question of the retention of this institution will of course come under the consideration of the Committee on the Indian Military College.

ADMISSION TO ENGLISH MILITARY COLLEGES OF CADETS OF THE ROYAL INDIAN MILITARY COLLEGE, DEHRA DUN.

970. ***Mr. B. N. Misra:** (a) Do the cadets from the Royal Indian Military College, Dehra Dun, get any preference over the outside candidates who compete for admission to the military colleges in England?

(b) If the reply to part (a) above be in the negative, what justification is there for a cadet to spend about Rs. 12,000 in six years to compete with the candidates from much cheaper colleges?

Mr. G. M. Young: (a) and (b). They get no preference in the examination; but, as I have already indicated, the best candidates are, as a matter of fact, those who have been educated at Dehra Dun, and that is the justification for maintaining the College.

LAVATORY ARRANGEMENTS FOR THIRD CLASS PASSENGERS ON THE BARSILIGHT RAILWAY.

971. ***Mr. S. G. Jog:** (a) Will Government be pleased to state as to what is the existing arrangement for the third class passengers in the matter of lavatory and latrine arrangements on the Barsi-Light Railway running between Miraj and Pandharpur?

(b) If there be no existing arrangement, what steps do Government propose to take in this matter and when?

Mr. A. A. L. Parsons: I understand that latrines are not provided on roadside stations between Pandharpur and Miraj, that lavatories are provided in women's compartments, and that the Company are considering the provision of lavatories in certain coaches which run on fast trains. The Railway Board propose to ask the Senior Government Inspector to look into the matter.

TRAFFIC LOST BY THE GREAT INDIAN PENINSULA RAILWAY AT AMRAOTI.

972. ***Mr. S. G. Jog:** (a) Will Government please state whether the Great Indian Peninsula Railway have suffered any loss on account of the Amraoti railway station not being on the main line during the last four years? If so, what is the approximate loss?

(b) Will Government please state how much passenger traffic has been diverted by the motor bus service?

(c) What steps do Government propose to take to recoup the loss that is being suffered by this railway on account of the diversion of the passenger traffic?

Mr. A. A. L. Parsons: (a) and (b). I am afraid it is not possible to give these figures, for it is impossible to say what extra traffic would have been obtained in the past had the arrangements at Amraoti been different from what they are.

(c) I am, however, grateful to the Honourable Member for bringing to notice the possibility that there is an avoidable loss of traffic owing to the arrangements at Amraoti, and I am asking the Agent of the Great Indian Peninsula Railway to look into the matter.

FIRE-ARM LICENCES CONFISCATED IN THE UNITED PROVINCES.

973. ***Kunwar Hajee Ismail Ali Khan:** (a) Are Government aware that the licences of fire arms of many persons who have been loyal to Government have been confiscated in certain districts in the United Provinces during the recent non-co-operation movement on suspicion that they sympathised with the Congress programme?

(b) Are Government prepared to issue directions to the United Provinces Government to instruct the District Magistrates to issue licences to such persons again in order to create a cool atmosphere and regain confidence?

The Honourable Sir James Crerar: (a) I regret I have no information, but I have no doubt that if action has been taken, it has been under section 18 (a) of the Indian Arms Act, 1878, which empowers licensing authorities to cancel or suspend licenses when they consider this to be necessary for the security of the public peace.

(b) The matter is within the discretion of the Local Government, to whom I shall, however, send a copy of the question and my reply.

DUTY ON SUGAR.

974. ***Kumar Guptaeshwar Prasad Singh:** (a) With reference to the speech of the Honourable the Finance Member introducing the Budget for 1931-32 on February the 28th, will Government be pleased to state whether the landed price of sugar at Calcutta ex-duty was below Rs. 4 per maund on the 28th February, 1931, and even now?

(b) Is it a fact that Indian sugar factories manufacture about 50 per cent. sugar of below 23 D. S.?

(c) If the answer to part (b) be in the affirmative, will Government state why this grade of sugar is termed as of minor importance and as such why is custom duty kept at 8 as. per cwt. lower than sugar of above 23 D. S.?

(d) Are Government aware that sugar manufactured in this country of the grade below 23 D. S. is not protected? If so, are Government prepared to take immediate steps to remove the difference of 8 as. per cwt. kept between the two grades of sugar, below and above 23 D. S.?

The Honourable Sir George Schuster: (a) The landed price of white sugar at Calcutta *ex-duty* on the 28th February, 1931, was Rs. 3-15-2 per maund and has remained at that level since then.

(b) Yes.

(c) and (d). I described lower grades of sugar as of minor importance, because the volume of their imports is only about one-eighth of the total volume of imports of all kinds of sugar. For the rest, the Honourable Member will doubtless realise that my Budget proposals were made from the point of view of revenue and not from the point of view of protection. The whole question will have to be carefully considered in connection with the Tariff Board's Report.

APPOINTMENT OF MUHAMMADANS TO THE COMMERCIAL AUDIT BRANCH OF THE INDIAN AUDIT AND ACCOUNTS SERVICE.

975. ***Mr. Muhammad Muazzam Sahib Bahadur:** Will Government please state whether:

(a) it is not a fact that in spite of repeated requests every year, no Muhammadan of the Indian Audit and Accounts Service has been taken in the Commercial Audit Branch;

(b) it is not a fact that there is not a single Muhammadan gazetted officer in that Department; and

(c) it is not a fact that by reason of the entire absence of Muhammadan officers, the Government of India's order regarding the recruitment to the services of one-third of the members of the minority communities has been violated not only in letter but also in spirit and that members of other minority communities have been taken?

The Honourable Sir George Schuster: (a), (b) and (c). There is at present no Muslim Gazetted Officer in the Commercial Audit Branch. The Superior Officers in this Department belong to the Indian Audit and Accounts Service and are liable to transfer all over India to the various branches of the Audit Department. Postings to individual branches are not governed by communal considerations. The Government of India's orders regarding the recruitment of members of minority communities apply to initial recruitment to services as a whole and not to the postings of the members of the services to particular posts. I may add that there has been no request on the part of Muslim Officers of the Indian Audit and Accounts Service to be posted to duty in the Commercial Audit Branch.

APPOINTMENT OF MUHAMMADANS IN CERTAIN ACCOUNTS OFFICES.

976. ***Mr. Muhammad Muazzam Sahib Bahadur:** (a) Will Government kindly state the total number of (i) Hindus, (ii) Muhammadans, and (iii) members of other minority communities, in the clerical grade in the offices of the Auditor General, Commercial Audit, Accountant General, Central Revenues, Accountant General, Posts and Telegraphs, Telephone Revenue Accounts Officer, Audit Officer, Indian Stores Department, and Pay and Accounts Officer, Secretariat?

(b) How many Muhammadans have been taken as probationers in the Subordinate Accounts Service as compared with Hindus during the last three years in the Departments mentioned in part (a) above?

(c) Do Government intend to take an adequate number of Muslim probationers in those offices?

The Honourable Sir George Schuster: (a) and (b). A statement containing the required information is laid on the table.

(c) No appointments of Subordinate Accounts Service probationers are likely to be made in the Pay and Accounts Office, Secretariat. As regards the other offices, instructions were issued last year to the heads of offices to make special efforts to find members of minority communities who would be suitable for direct appointment as probationers. No further action is contemplated at present.

Name of office.	Total number in the clerical grade.			Total No. appointed as probationers in the S. A. S. during the last three years.	
	Hindus.	Muham- madans.	Other minority commu- nities.	Hindus.	Muham- madans.
1. Auditor General	66	10	5	1	1
2. Director of Commercial Audit	44	4	7	1	Nil.
3. A. G., C. R.	232	19	16	1	Nil.
4. A. G., P. & T.	64	3	1	Nil.	Nil.
5. Telegraph Revenue Accounts Officer.	23	9	4	Nil.	Nil.
6. Audit Officer, Indian Stores Deptt.	102	18	13	Nil.	Nil.
7. Pay and Accounts Officer, Secretariat.	40	6		Nil.	Nil.

UNSTARRED QUESTIONS AND ANSWERS.

RATES OF FREIGHT FOR COTTON AND WHEAT BETWEEN DELHI AND KARACHI.

304. **Mr. E. F. Sykes:** Will Government please give the rates of freight specified in the statement below?

Commodity.	From	To	Date.	Rs. a. p.
Cotton	Khanewal	Kiamari	{ 1913 1931	
		Delhi Jn.	{ 1913 1931	
Wheat	"	Kiamari	{ 1913 1931	
		Delhi Jn.	{ 1913 1931	

Mr. A. A. L. Parsons: The railway risk rate for raw cotton full-pressed from Khanewal to Kiamari in 1913 was Rs. 0-15-0 per maund. No owners risk rate was quoted. The railway risk rate is now Rs. 1-14-4 and there is an owners risk rate of Rs. 1-13-10. The railway risk rate from Khanewal to Delhi in 1913 was Rs. 1-2-3 and the owners risk rate was Rs. 0-11-11. The railway risk rate is now Rs. 1-6-6. No owners risk rate is quoted.

The rate for wheat from Kiamari to Delhi in 1913 was Rs. 0-8-0 per maund and is now Rs. 0-10-7. The rate from Khanewal to Delhi in 1913 was Rs. 0-7-7 and is now Rs. 0-9-2.

COAL PURCHASED FOR THE ROYAL INDIAN MARINE.

305. Mr. K. C. Neogy: (a) Will Government be pleased to give information in regard to the purchase of coal for the Royal Indian Marine under the following heads:

- (i) the procedure under which coal is purchased for the Royal Indian Marine;
 - (ii) the quantity of coal purchased for the Royal Indian Marine during the last five years; and
 - (iii) the quantity of Indian, Natal and Welsh Coal, giving separate figures for each quality purchased, during the last five years?
- (b) In case no Indian coal has been purchased, will Government be pleased to state the reasons for not purchasing the same?

Mr. G. M. Young: (a) (i). Coal purchased in India.—The usual procedure of inviting public tenders by advertisement in local papers is adopted.

Coal imported from England for supply to subsidised naval vessels in the Persian Gulf is obtained through the Director-General, India Store Department, London.

(a) (ii). 98,272 tons.

(a) (iii). Indian—14,491 tons.

Natal—3,471 tons.

Welsh—80,310 tons. This figure however includes the coal supplied, through the Royal Indian Marine, to the ships of the Royal Navy in the Persian Gulf. I will endeavour to obtain the figures for Royal Indian Marine ships separately, and will inform the Honourable Member when I get them.

(b) This does not actually arise, but I should like to inform the Honourable Member that the possibility of utilizing Indian coal in warships is being taken up by the Flag Officer Commanding, Royal Indian Marine.

WORKING HOURS OF EMPLOYEES OF THE RAILWAY MAIL SERVICE.

306. Mr. N. R. Gunjal: With reference to the reply given on the 1st February, 1928, to Mr. N. M. Joshi's unstarred question No. 6,

regarding working hours of employees of the Railway Mail Service, will Government be pleased to lay on the table the result of their promised consideration with regard to the question of treating the attendance of sorters of the running sections in Record Offices for the preparation and examination of work papers as "period spent on duty"?

Mr. H. A. Sams: The matter is still under my consideration and I will shortly issue orders.

ADMISSION OF TEMPORARY CLERKS TO THE PUBLIC SERVICE COMMISSION EXAMINATION.

307. Mr. Amar Nath Dutt: (a) Will Government be pleased to lay on the table a statement showing the names of temporary clerks serving in the Government of India Offices, who do not possess the minimum educational qualification required by the Public Service Commission?

(b) Will Government be pleased to place on the table a statement of such temporary clerks who are being allowed to appear at the ensuing qualifying examination of the Public Service Commission with names, period of service and the reasons in each case?

(c) Will Government be pleased to lay on the table a statement showing the names of those temporary clerks who have not been allowed to appear at the ensuing qualifying examination of the Public Service Commission, with reasons in each case?

(d) Are Government aware that a number of temporary clerks, who have been serving in the Government of India offices for a considerable period, have not been permitted to appear at the said examination, on the ground that they do not possess the minimum educational qualification required by the Public Service Commission?

(e) Is it a fact that a number of temporary clerks who do not possess the minimum educational qualification required by the Public Service Commission are being allowed to appear at the said examination as special cases? If so, will they be pleased to lay on the table a statement showing the name, period of service and reason in each case?

(f) Will Government be pleased to lay on the table a statement showing the name and period of service, in each case, of the temporary clerks who have been employed in Secretariat or its attached offices between the 1st of April 1928 and the 31st December 1930, but do not possess the minimum educational qualification required by the Public Service Commission?

The Honourable Sir James Crerar: (a) to (f). The statements asked for by the Honourable Member will involve a great deal of labour and will serve no useful purpose. It is not a fact that temporary clerks who do not possess the minimum educational qualification are being allowed to appear at the forthcoming examination. As far as I am aware only one exception has been made to this rule in the case of a clerk who rendered war service and comes under terms of paragraph 4 of the Home Department Resolution No. 1099 of the 8th August, 1919.

STATEMENTS LAID ON THE TABLE.

CONSTRUCTION OF A CHILDREN'S WARD IN THE PESHAWAR HOSPITAL.

Mr. J. G. Acheson (Foreign Secretary): Sir, I beg to lay on the table the information promised in reply to a supplementary question to starred question No. 266 asked by Mr. B. R. Puri on the 2nd February, 1931, regarding the construction of a children's ward in the Peshawar Hospital.

"(a) The Local Administration has under consideration a suggestion that when funds are available for the construction of another ward, maternity or children's, in the Lady Reading Hospital at Peshawar, the ward should bear the names of Sardar Ganga Singh's wife and children.

(b) The financial situation does not yet permit a reply."

ACTUAL EARNINGS OF CERTAIN NEWLY CONSTRUCTED RAILWAY LINES.

Mr. A. A. L. Parsons (Financial Commissioner, Railways): Sir, the Honourable the Railway Member, who is indisposed, has asked me in fulfilment of an undertaking which he gave on the 12th February, 1930, during the general discussion of the Railway Budget, to lay on the table a statement giving the information at present available as to the actual earnings of certain newly constructed railway lines and a comparison of the return given by these earnings on the capital outlay with the return anticipated on the original estimates.

Statement showing actual net earnings during the financial year 1929-30, of new lines opened, after 1st October 1927, throughout for traffic for a full year.

Item No.	Name of project.	Working railway.	Gauge.	Mileage.	Date of opening.	Net income creditable to the project for 1929-30.	Percentage return of income on Capital outlay (column 7) on Capital outlay.	Estimate percent age return of income on Capital outlay for some few years after opening as estimated originally.	Remarks.
1	2	3	4	5	6	7	8	9	10
1	Furtakling-Padulpara Jorhat	A. B.	3' 3"	42.28	1-8-1928	Rs. 20,770	0.61	7.00	
2	Karimganj-Longai Valley	A. B.	3' 3"	39.45	1-1-1929	-1,64,654	-5.46	5.5	
3	Netrokona-Mohanganj.	A. B.	3' 3"	17.55	1-4-1929	20,087	1.05	9.0	
4	Sibsagar Road-Khowang	A. B.	3' 3"	58.79	10-11-1927	94,252	2.07	7.00	
5	Vizapur-Amvillagan Extension	D. B. & C. I.	3' 3"	25.70	1-10-1928	21,931*	1.96	4.25*	
6	Gudhrada-Palmatarim	M. & S. M.	3' 3"	47.60	17-8-1928	1,44,703	3.55	6.61	
7	Nidharoda-Narasapur	M. & S. M.	5' 6"	47.18	3-2-1929	2,10,840	3.14		
8	Kamrighall-Swamibaili Extension	M. & S. M.	3' 3"	11.74	15-3-1928	2,71,541	47.21		
9	Jassar-Shakargah Chak Jhomru	N. W.	5' 6"	28.0	21-12-1927	-32,941	-1.79		
10	Kangra Valley	N. W.	5' 6"	103	1-4-1929	(a) -3,10,173	-0.94		
11	Lyalpur-Jaranwala	N. W.	5' 6"	29.10	2-12-1927	-67,834	-3.83		
12	Rohitak-Gohari-Panipat	N. W.	5' 6"	44.21	15-3-1928	-17,897	-0.63		
13	Shalidara-Narawal	N. W.	5' 6"	47.73	21-12-1920	2,43,404	7.22		
14	Cuddalore-Viduthachalam	S. I.	3' 3"	35.59	21-6-1918	(a) 75,716*	3.00		
15	Dindigul Pollachi	S. I.	3' 3"	75.10	10-11-1928	7,05,822*	9.01		
16	Madura-Bodiyakanur	S. I.	3' 3"	55.94	20-11-1928	2,04,650*	5.51		
17	Shoranoor-Nilambur	S. I.	5' 6"	41.32	20-10-1927	-46,110	-0.58		
18	Villupuram-Trichinopoly	S. I.	3' 3"	109.0	1-2-1929	9,47,926*	4.80		

* The line was sanctioned for construction on the assurance that a minimum output of 35,000 tons of manganese ore annually by the Sandur Mining Company would be enough to guarantee the railway against loss. Includes Rs. 4,00,000 guaranteed by Punjab Government against loss.

† The line was considered unremunerative but the District Board of South Arcot, who were interested in it have expressed their willingness to guarantee the Government of India against loss, if any arising out of the construction and working of the line.

* Excluding the earnings of the existing lines from new traffic, interchanged with the new Railway.
(c) The figures do not include payments of amounts on account of guarantee payable by Local Government or District Board.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE ON ROADS.

Mr. J. A. Shillidy (Secretary, Industries and Labour Department): Sir, I beg to move:

"That this Assembly do proceed to the election for the financial year 1931-32, 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.

Mr. President: I may inform Members that for the purpose of election of Members to the Standing Committee on Roads the Assembly Office will be open to receive nominations up to 12 noon on Wednesday the 18th March, while the election, if necessary, will be held in this Chamber on Friday the 20th March, 1931. The election will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

ELECTION OF MEMBERS TO THE COMMITTEE ON PUBLIC ACCOUNTS.

Mr. President: Non-official Members will now proceed to elect eight Members to be members of the Committee on Public Accounts. There are 13 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 GOVERNING BODY OF THE IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH.

Mr. President: Members will now proceed to elect two Members to sit on the Governing Body of the Imperial Council of Agricultural Research. There are six 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 INCOME-TAX (SECOND AMENDMENT) BILL.

The Honourable Sir George Schuster (Finance Member): Sir, I move
12 NOON. for leave to introduce a Bill further to amend the Indian Income-tax Act, 1922, for certain purposes.

The purpose of this Bill has already been referred to and explained in general terms in my Budget speech. I do not therefore intend at this stage to speak in any detail about its objects. It is a very important Bill, for it goes to the very basis of the liability to taxation that the present Act imposes.

(2078)

While I do not intend to say anything now in elaboration of my explanations already given about the objects which we have in view, I should like to say a word on procedure. It was originally our intention after the Bill had been introduced, to move that it be referred to a Select Committee, and simultaneously, in order to save time, it was our intention that the Bill should be circulated for opinions by executive order. It is quite obvious that on so important a matter the public generally and the bodies representative of commerce and industry should have an opportunity of expressing their views on the Bill and of bringing forward criticisms. There are one or two features in the Bill which may be controversial. On the other hand, in the present circumstances, it is extremely important that the major effect of this Bill should come into operation as quickly as possible, and if the Bill is now circulated for opinions and is not passed this Session, it means that we cannot get advantage of its effects for a full financial year. Therefore, if the general feeling of the House were to be that it is in the public interest that the Bill in its present form should be placed on the Statute-book immediately, the Government would respond to that idea, but it is a matter in which we should be entirely guided by the opinions expressed in this House, and we feel that there would have to be a fairly general opinion to justify that action. If that action were taken, it would not in the least obviate the necessity of getting full public criticism and giving full opportunity for consideration of the Bill by commercial bodies. It would really only amount to adopting the procedure which we had originally intended in an inverted form; that is to say, we might put the Bill on the Statute-book, circulate it for opinion, and provide facilities for discussing amendments at the Simla Session. I merely wanted to take this opportunity of throwing out that idea so that Honourable Members might have an opportunity to consider it between now and the stage when I move the appointment of a Select Committee. I realise that the idea is rather a novel one, and there is no exact precedent, as far as I am aware, for such a course of action. But the considerations are very special just now: it would be a great advantage to us to get the addition to revenue, whatever that may be, which this measure would bring, and it is also very desirable that the other effects of the Bill should operate as soon as possible. I do not think that it is necessary for me to say anything more on the subject. I shall take the opportunity of the second reading to give fuller explanations of the Bill.

Sir, I move.

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): I did not quite catch the meaning of what the Honourable the Finance Member said as regards the novel suggestion which he has put forward. Do I understand it to be this, that the Legislature should be asked to agree to the Bill being passed at this stage without any consideration of the amendments that may be tabled, and that even the Select Committee stage would not be gone through, in other words, that we ought to pass the Bill here and now? Or is it merely suggested that the matter should go before a Select Committee and the Bill be passed in this Session? I am not quite clear about what the Honourable the Finance Member meant. I should like very much to have further light on the question.

The Honourable Sir George Schuster: What I intended to say was this, that if there was a general feeling in the House that it was desirable to

[Sir George Schuster.]

get this Bill on to the Statute-book, we would dispense with the process of circulation *before* putting it on the Statute-book. Of course, there is no possibility of dispensing with the ordinary procedure and the ordinary debate on any amendments that may be down, but that would make it possible to pass the Bill this Session and not to wait for opinions obtained in circulation. That was the only idea which I suggested. In any case, I merely put forward the idea at this stage as a matter of courtesy to the House, and in my desire to be perfectly frank with them, I thought it desirable that Honourable Members should have that idea before them so that they might have time to consider it before we come to the second reading stage of the Bill. Therefore, I suggest that it is not appropriate that it should be discussed at all now. I wished that Honourable Members should consider it, so that we might have fully considered opinions when the second reading debate comes on.

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadian Rural): I do not know whether I shall be in order in asking a question of the Finance Member. I should be glad if he would elucidate a little further what the immediate advantages will be of adopting the procedure which he suggests, namely, of putting the Bill on the Statute-book at once and afterwards considering the opinions and the amendments which may be necessary. I am not quite clear about it.

The Honourable Sir George Schuster: The immediate advantages of the procedure will be this—that if the Bill is passed this Session it will come into operation at once, and we shall get certain additional revenue in the coming financial year. I also said that the other effects which we hope it will have, if the Bill comes into immediate operation, are that the inducement which exists at present to invest money in foreign securities will be taken away, and the sooner that operates the better we consider for Indian interests. I hope my Honourable friend is satisfied with that explanation.

Diwan Bahadur T. Rangachariar: Only as regards the first point, the Bill as it stands, if it is enacted, will come into force on the 1st April 1932. That is what I see in the Bill. So that, the first position does not seem to be correct.

Some Honourable Members: It is a misprint.

The Honourable Sir George Schuster: My intention was, that if this procedure was adopted, the Bill would be amended to come into operation on the 1st April, 1931.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadian Urban): I am sorry I was not here when the Honourable the Finance Member made his remarks. I understand that he desired that the House should consider the procedure of getting this Bill through at this Session. I personally would strongly object to rushing a Bill of this sort through without proper investigation and without the opinions of the public ascertained and considered by this Honourable House.

The Honourable Sir George Schuster: Might I suggest to my Honourable friend that perhaps it is premature for him to express an opinion now. I merely took this occasion to inform the House that we had this idea in mind, but we shall be entirely guided by the opinions expressed in the House. I took this occasion to put forward the idea, so that Honourable Members might have some time to consider it. I suggest that if Honourable Members start expressing opinions now, we may get involved in a debate which perhaps would not be in the best interests of the House today. I hope my Honourable friend will appreciate my point.

Mr. President: The question is:

"That leave be given to introduce a Bill further to amend the Indian Income-tax Act, 1922, for certain purposes."

The motion was adopted.

The Honourable Sir George Schuster: Sir, I introduce the Bill.

Mr. B. V. Jadhav: Is this a Bill for 1932 or 1931?

Mr. President: Order, order. Mr. Shillidy.

THE INDIAN FACTORIES (AMENDMENT) BILL.

Mr. J. A. Shillidy (Secretary, Industries and Labour Department): I move for leave to introduce a Bill further to amend the Indian Factories Act, 1911, for a certain purpose.

The Bill is very simple and introduces no issue that is contentious. I need not say anything further at this stage.

The motion was adopted.

Mr. J. A. Shillidy: I introduce the Bill.

THE INDIAN FINANCE BILL.

The Honourable Sir George Schuster (Finance Member): I move that the Finance Bill, 1931, be taken into consideration.

I do not propose at this stage to make any speech on the Bill. It has been usual, in moving for consideration, to say something of the cuts that have been passed by the House on the votes. On the present occasion only four token cuts have been passed involving a loss to the Government of Rs. 400. The Government propose to face this loss and to find this sum in the best way they can. Sir, I move.

Mr. President: The question is:

"That the Bill 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 vary the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of income-tax and super-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper Currency Act, 1923, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930, be taken into consideration."

Mr. S. C. Shahani (Sind: Non-Muhammadan Rural): On a point of information. May I know how much time will be devoted to the general consideration and how much time to the amendments.

Some Honourable Members: There is no time limit.

SEPARATION OF BURMA FROM INDIA.

U Kyaw Myint (Burma: Non-European): Sir, I move that the consideration of the Bill be postponed for one day.

My desire in moving this, Sir, is to bring before this House the question of the separation of Burma from India. I particularly desire to express on the floor of this House what the real desire of the Burmese people is on this question, which really amounts to a matter of life and death to them. (Hear, hear.)

I shall be making an indictment against the Government of Burma, but that indictment will be levelled only against the Government of Burma because it is my firm conviction that the Government of India and His Majesty's Government are as much the victims of the Government of Burma as the Burmese people.

The Government of Burma—this is the accusation I make—has made deliberate and repeated attempts to mislead the Burmese people. I use the word "attempts" because at no time since the question of separation came to the front has there been anything like a unanimous desire on the part of the people of Burma for separation. But I do accuse the Government of Burma of having misled a section of the people into the belief that the separation of Burma from India would bring about one result of great and vital importance, namely the immediate acquirement by Burma of the status of a Dominion. That was, Sir, the bait that was offered. "You take separation and you get Dominion Status". This propaganda on the part of the Government of Burma has been going on for the space of about three years. The head of the Government of Burma has on every conceivable occasion since February 1928 indulged in statements which would have the effect of inducing the Burmese people to believe that Dominion Status was a necessary result of separation.

I repeat at this stage that in spite of this there has always been keen opposition to the idea of separation. This propaganda in favour of separation has taken the form of constant misleading statements and insinuations against the Government of India and had also the object of inciting the people of Burma against the alleged callous and inequitable attitude adopted by the people and Legislature in India on all matters pertaining to Burma. Then, Sir, on the part of the Government of Burma, there was a constant suggestion that the representatives of Burma in the Central Legislature could have no adequate voice in, and could create no adequate impression on, the Central Legislature.

On the question of separation, Sir, the Government of Burma has throughout ignored an important section of Burmese opinion—in fact the most important portion of the Burmese people—namely, the General Council of Burmese Associations which has always fought tooth and nail against separation. Now this General Council has boycotted the local Legislature. I do not intend to make any remarks disparaging the character of the local Legislature, but I must state here that the local Legislature

represents only a section of the people. I go further and say that if the General Council of Burmese Associations should choose at any time to enter the local Legislature, it could capture the vast majority of the seats open to election by Burmans.

Next to this section of the Burmese people come the People's Party who, with their following, form another important body of the Burmese people. The People's Party have entered the local Council and the People's Party have certainly asked for separation, but not in the manner in which the Government of Burma has represented their demand. They did ask for separation, but with it Dominion Status also. All along, the Government of Burma has made much of this demand for separation of a certain section of the people and suppressed the other portion of their demand, which is the vital portion, namely, the demand for Dominion Status. They have suppressed the fact that with the demand for separation is bound up also the demand for Dominion Status.

When the Simon Commission came to Burma, only one small section of the people decided to give evidence before it. The overwhelming majority of the people in Burma decided not to co-operate. The evidence tendered before the Simon Commission was one-sided evidence. It was evidence fostered by the Government of Burma and was not by any means what one might call "representative evidence". Even there the demand is perfectly clear, namely, separation along with Dominion Status.

Apart from the General Council of Burmese Associations and those connected with that General Council, who were boycotting not only the local Council but also the Simon Commission, the People's Party who had been co-operating in the local Council also boycotted the Simon Commission. The People's Party refused either to sit on the Provincial Committee or to give evidence before the Simon Commission. The recommendations of the Simon Commission as regards Burma were taken practically word for word from the Memorandum of the Government of Burma.

Next we come to the Round Table Conference. Four gentlemen were chosen as delegates from Burma to that Conference. No invitations were issued to anyone else. Of the selections made by His Excellency Sir Charles Innes, one was a European gentleman who has throughout been the foremost advocate of separation at any cost, and another was a gentleman who represented nobody. (Laughter.) The remaining two, Sir, were members of the People's Party. These two gentlemen actually protested against the unrepresentative character of the delegation. Their protest was overruled, and rightly or wrongly these two gentlemen attended the Round Table Conference under protest. Then, Sir, when the delegation arrived at the Round Table Conference, what happened? His Excellency Sir Charles Innes had already taken leave and gone to England. I am given to understand that the leave was granted on the ground of ill-health. In any case, there he was at the Round Table Conference, a towering personality who dominated the delegation which was not representative of the Burmese people.

Then, Sir, comes the mystery of the proceedings of the Round Table Conference, so far as it relates to Burma. At a meeting of the whole Conference sitting in Committee, the question of Burma was brought up at the fag-end of a long day's work, and before anybody realized what had happened, Sir, the principle of separation had been accepted. (Laughter.) A Sub-Committee for Burma was formed. I regret very much that my

[U Kyaw Myint.]

Honourable friend, Mr. H. P. Mody, has been prevented from being present in the House today, for he was a member of the Sub-Committee for Burma. Sir, my Honourable friend, Mr. Mody, and another delegate, Mr. Shiva Rao, fought strenuously during the deliberations of the Sub-Committee against the acceptance of the principle of separation before any decision was arrived at as to the status of Burma after the separation. They fought tooth and nail, and when the Sub-Committee's Report, together with the very able Dissenting Notes of these two gentlemen came before the Conference sitting as a Committee, they fought again. The whole question was rushed through, and never at any stage during the whole of the Round Table Conference was serious attention paid to this vital question. The principle of separation was accepted and there the matter ended. In the Prime Minister's final speech occur only three lines relating to Burma. No statement could be more equivocal than those three lines. In the Statement which His Majesty's Government issued at the end of the Round Table Conference, Burma is not mentioned at all.

The Government of Burma has since then continued the propaganda that it had previously indulged in. Not only has it done that, but it has also endeavoured to suppress the expression of public opinion of Burma against separation. I will give you, Sir, only one instance, and I will mention the name because it is a name which is not unfamiliar to the Honourable Members of this House. I mention, Sir, the name of the Reverend Ottama Bikkhu, who has suffered more for his country than any other Burman. Wherever he goes in Burma, he is dogged by the C. I. D. Wherever he stays in Burma, an order is served on him under section 144 of the Criminal Procedure Code. He came to India recently, but he was stopped at Calcutta. He was detained there for some time but was eventually allowed to come to Delhi. He came to India to see Mahatma Gandhi. His intention was that, since he was not allowed to express his opinions in Burma, he would go to England where the English people themselves took pride in their freedom of speech. His passport, that would have enabled him to go to England, was promptly cancelled. That is only one instance. (*Cries of "Shame" .*)

Now, Sir, what has been happening in Burma during the last 8 or 10 weeks? Repressive measure upon repressive measure has been passed. An ordinance was promulgated which was called the Anti-Terrorist Ordinance. In the Statement of Objects and Reasons it was sought to prove that the Bengal Terrorist Party, not the Burmese Terrorist Party, was beginning to be active in Burma. There was not a scrap of evidence to that effect; there was no justification for the ordinance. Curiously enough, the ordinance contained in the end what amounted to a promise that the Government of Burma would see that the Criminal Law Amendment Bill, drafted on the lines of the ordinance was passed in the local Legislature. An attempt was made to have that done, but the Bill was thrown out. It was re-introduced as a recommended Bill but was again thrown out. Now, it is quite obvious from what has happened during the last few days that the moment the present Session ends, His Excellency the Governor of Burma will certify that Bill, for after the Session is over none of us from Burma will have an opportunity of moving an adjournment motion in this House.

These, Sir, are the things that are now happening in Burma. If I am now interrupting the business of this House, I have certainly this justification for doing so, that this is almost the only forum where a Burman can express his views honestly and fearlessly about separation. I do not know what would happen to me if I said in Burma today what I am saying here now. (*An Honourable Member: "Don't go back to Burma."*) An Honourable Member has been pleased to ask me not to go back to Burma. But I must tell him that it is my duty to go back to Burma and face whatever awaits me. (*Applause.*)

Sir, owing to the official propaganda of the Government of Burma, an impression seems to have been created in India that Burmans desire separation. Nothing could be farther from the truth. The attitude of political India is greatly appreciated in Burma. That attitude is this: The question of separation is a question for Burmans to decide. Nothing could be fairer than this; nothing could appeal more to Burmans than this.

Our fear in Burma now is that the whole question of separation is being rushed through in such a manner that, before we know where we are, we shall find ourselves separated and we shall find ourselves with nothing else. These are our fears and they have got to be reiterated; they have got to be expressed again and again not only in Burma but here on the floor of this House, in this country, and also in England, so that the Government of India and His Majesty's Government shall no longer be misled. The question is a vital one and the position must be clearly defined. The vast majority of the Burmese people have been and will continue to be against separation. The demand of the small section asking for separation has been and will continue to be for separation with Dominion Status.

The manner in which this question has been treated at the Round Table Conference, the announcement which the Secretary of State for India made in the House of Commons referring us back to the declaration of 1917, a declaration that has never been accepted in India during the years that have gone by, a declaration that means nothing at the present moment, and the repressive attitude of the Government of Burma—all these things have not only caused general consternation in Burma, but have also created in the hearts of those who at one stage had favoured separation a fear of separation. From the evidence before us and judging from the attitude that the Government of Burma has consistently and deliberately adopted towards this question, there cannot be the slightest doubt that separation is to be forced on us and that we are going to get nothing else.

Sir, the question of a Federated India became almost a settled fact at the Round Table Conference, although for some time the question of an Indian Federation was not considered to be within the range of practical politics. There cannot be the slightest doubt that it is the intention of the Government of Burma, by suppressing the expression of opinion of Burmans on the question of separation of Burma at the present moment, to strain every nerve to shut the door of the Indian Federation in the face of Burma. Once that door is shut, it does not require much intelligence on the part of Burmans to realise that they will be getting nothing but bare separation. We shall be going backwards; we shall certainly not be going forwards.

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LEGISLATIVE ASSEMBLY.

[16TH MAR. 1931.]

[U Kyaw Myint.]

If the Government of Burma genuinely believes that the consensus of opinion in Burma has been in favour of separation, it should have no hesitation in agreeing to the referendum demanded by the people of Burma. I would also strongly urge that the referendum should be held under the direct supervision of the Government of India, with this additional safeguard, that it should be conducted with the aid of a non-official committee representing every class of Burmese political thought and every shade of Burmese opinion.

These are the things which are implied in this motion for the postponement of the consideration of this Bill for one day. By adopting this motion for postponement, this House will be able to indicate to the people of Burma its adherence to the principle that it is for Burmans to decide whether to separate from India or to remain a part of the proposed Indian Federation. This House will be able to indicate to the people of Burma an expression of its concern at the manner in which the question of separation is being rushed through and treated as a settled issue. That is our grievance, Sir. It is being treated as a settled issue without an adequate opportunity being given to Burmans to exercise their choice in the matter. By adopting this motion, this House will be able to support what I have urged and to support the agitation for a referendum under the direct supervision of the Government of India. (Applause.)

Sir, what actually happened at the Round Table Conference can best be described or explained by those who actually participated in that Conference. I have not the slightest doubt that such of my Honourable friends as had the honour of being present at the Round Table Conference will take part in this debate.

Sir, I move. (Applause.)

Mr. B. Das (Orissa Division: Non-Muhammadian): Sir, I have great pleasure in rising once again to support the cause of Burma and to plead the cause of Burma on the floor of this House. It is seldom that we meet the Burman friends in India and it is seldom that Burmese Members are as vocal as my Honourable friend, U. Kyaw Myint, whom I must congratulate for the able maiden speech that he has just delivered today. Sir, my Honourable friend has described how the Burmese Government has been inspired by motives which are quite anti-national to the Burmese interests and also quite anti-Indian, but which are only in the interest of the Imperialist British Government and the British capitalists. Sir, if I have to trace the situation in Burma I trace it back to the days when my Honourable friend Mr. Haji brought in his Coastal Reservation Bill. My friend Mr. Haji wanted to reserve the coastal traffic between Burma and Karachi to Indian shipping interests. I think that opened the eyes of the European commercial interests and the Honourable Sir Charles Innes, who was then the Commerce Member of the Government of India and also a Member of this House, saw that British trade and British commerce must be preserved, and he felt that when he became the Governor of Burma, he should exercise his influence and exert his utmost to separate Burma from India, so that Indian trade and commerce should not influence the Burmese national interests and Burma could be conveniently made a colony of England. That was always my fear and my apprehension, and from what I have heard from my Burmese friends, I

find that my apprehensions have been justified. My friend said that only a very minority section in Burma had supported the Government of Burma in their cry of separation of Burma from India. The People's Party, the Nationalist Party that led the Burmese Council, had never approved nor played any part in the separation of Burma, and they never gave evidence before the Simon Seven, when they visited that province. Sir, with regard to the recent occurrences which my Honourable friend U. Tun Aung brought the other day before this House, with regard to those repressive measures and repressive ordinances adopted by the Burmese Government, my Honourable friend Mr. Kyaw Myint has said today that those measures had been adopted only to suppress all those associations which are not supporting separation of Burma from India. Sir, that a Government should identify and play such a mischievous part in suppressing those people who are nationalist enough not to side with the British interests and that it should openly work for the separation of Burma from India passes one's comprehension. My Honourable friend also remarked about the Burma Criminal Law Amendment Act that was twice rejected by the Burma Legislative Council, in spite of its present constitution and in spite of the fact of a great number of nationalist Burmans not being represented in the Burma Council. Yet His Excellency the Viceroy has passed an ordinance so that the Government of Burma can go on in their own way and suppress all nationalist aspirations.

Then, my Honourable friend referred to Revd. Ottama whom I knew in the good old days when I was a Member of the Congress. He was also a Member of the Congress as he is now and is a great patriot and he has always been a good friend of India. It is strange that he should be shadowed by the C. I. D. in Calcutta and that he should not be allowed to visit Delhi in order that he might speak out the truth which the Burmese Government by their repressive measures have suppressed and which the ordinances of the Government of India did not allow to filter from Burma to India. The other day, I said that if Burma wants separation and if the Burmese people want separation, let them have it. But they should not be made a cat's-paw in the hands of certain Imperial British interests or the British commercial interests who want to exploit Burma in their own interests. Anybody who knows Burma well knows that it has the best oil-fields and the ruby mines; all these are in the hands of European capitalists. There is also Indian capital invested there, but it does not control the mining interests of Burma. Naturally the European capitalist interests and the Imperialists of British administration find that India is slipping out of their hands, and so they want Burma completely to remain under their thumbs. Why should they want Burma to be separated? Let them take a plebiscite. But how to take a plebiscite? I am told, and I heard from a very reliable source, that during the recent Tharrawadi rebellion, a certain high official said to certain friends that the Government would do what they did in Malabar that is, they would crush and kill everybody who raised their hands against the Government and that the Government would do the same thing in Burma, if the people in Burma rose in rebellion against the Government and if they go against desire of the Government to separate Burma from India. This may be true, or this may not be true, but in India we have heard such things before. We have heard of it in the good old days. But we are now in a peaceful atmosphere. In the good old days, there were *jabardast* Civilian

[Mr. B. Das.]

bureaucrats, who posed to be great authorities of imperialism and they wanted to rule with an iron hand and with the sword. Sir, if the Government of Burma want today to separate Burma from India, it is to their interest to rule Burma with an iron hand and to keep it as a preserve for young Britishers and to keep it also as a preserve for the British capitalist interests, and it may be a day will come when Indian capitalists will be ousted from Burma. It may be that these so-called Imperialistic British friends of the Burmans will introduce legislation there, in case they are able to separate Burma, that the Indians should be disenfranchised in Burma. I am not concerned about the Indians' interests; they can take care of themselves. I am only concerned about the Burmans' interests. So long Burma has enjoyed equal liberty and the Burmese have cherished equal aspirations with Indians. Just at the moment when we are almost reaching the goal and are going to have self-government for India, a mischievous agitation is being started in Burma, inspired by the Government of Burma and by almost every officer of the Burma Government who is paid with the money from Burma and India, that Burma should be completely separated, not in the interest of better government of the people of Burma, but in the interest of the Imperialist section of the Britishers and the British capitalists. Sir, no Member of this House, no Indian, should be a party to it. If the people of Burma want separation, let them have it by all means, but before that they must be promised Dominion Status and equal freedom as Indians will get. Otherwise Indians will never support the Imperialistic interests in Burma.

The Honourable Sir George Schuster: Sir, I wish to say a few words at this stage of the debate on behalf of Government. I intervene solely as Member in charge of the Finance Bill and I merely wish to put forward certain considerations in connection with the business aspect of this debate. As far as Government are concerned, we obviously cannot intervene in any discussion on the merits of the question which has been raised. That is a question of which the Round Table Conference is now seized and the Government really cannot express opinions about it now. Sir, we have no wish to prevent the continuance of this debate if it is the desire of this House that it should continue. I only feel bound to point out that there are a great number of amendments down for consideration on the Finance Bill, that there is a certain amount of other important business for the House to transact this Session, and that any time lost now will have to be made up in some way or other. If the House, taking all these facts into account, wishes to continue the debate, this day, we for our part will not offer any sort of opposition, and we shall be pleased to see the debate continuing. That, Sir, is our position. I am bound as Member in charge of the Finance Bill to put in a formal opposition to a motion which will keep the House from what is at present the main business before it. But it is a purely formal opposition.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): Mr. President, I am very thankful to my brother from Burma for having raised this question on the floor of this House. It is of such tremendous importance both to India and to Burma that I think by this discussion we may clear the air a bit. Sir, I feel bound to tell

exactly what took place at the Round Table Conference with reference to this question of separation of Burma. On the 1st December, 1930, the Round Table Conference met in committee. The delegates from Burma were all keen on the separation of Burma and they wanted that question to be removed from consideration at the further stages of the Round Table Conference, so that the necessity for these delegates partaking in questions like federal structure, or in questions relating to minorities might not arise. On the first day therefore the Prime Minister put a general proposition whether in principle that House, the Round Table Conference, was agreed about the separation of Burma. With a few dissentients that was agreed to, and a committee for the separation of Burma was then constituted. Even then certain delegates questioned whether the principle itself would be open to review if other evidence came in to support such review. The committee then met and made certain recommendations with reference to how this separation should be carried out, taking for granted that Burma would be separated. In the meanwhile, as my friend has already stated, the delegates were deluged with telegrams and cables from Burma, notably from the G. B. C. A.—the General Council of Burmese Associations, from the People's Party and various other organisations. The Prime Minister himself at a later stage in the proceedings was forced to concede, and the late Lord Russell who presided over the Burmese Committee had to acknowledge, that they had both been inundated with a number of cables from Burma urging that Burma should not be separated. After the report of the Burmese Sub-Committee, the matter came up again before the Round Table Conference in plenary committee on the 16th January. At that stage we had better information with regard to the prevailing opinion in Burma on the question of separation than we had at the very early stage on the 1st December, when we were much more concerned about our own affairs and wanted to abide by the opinion of the Burmese delegation on such a matter as my friend has pointed out. The opinion of the Indian delegates was merely this that in a matter of such a character, we who had asked for the recognition of the principle of self-determination, we Indians who were asking for Dominion Status on the ground that we were determined as a body to have it, we could not possibly stand against any similar contention being raised by any other section. That was how the separation of Sindh was taken up; that was how the question of reforms for the North West Frontier Province was taken up; and consistently with that position no Indian delegate could either then, or, I venture to state, can now stand against the position that self-determination should be the main and guiding principle with reference to this question of the separation of Burma. We made it clear further in the plenary session that at the time of the invasion of Burma such vocal and organised opinion in India as existed among the Indians, notably the Indian National Congress, had declared against that invasion, and had declared against the absorption of Burma in the Indian Empire. They stood out against all those projects and methods that had been adopted by the Government of India of the day with reference to Burma. Consistently therefore with our own position and consistently with the principles that we were urging at the Round Table Conference there was no course open to us on the 1st December except to acquiesce in the then unanimous declaration of the Burmese delegation that they wanted the separation of Burma. But later on when we found that opinion was being regimented and organised against the separation of Burma, when facts had had time to dribble even into the St. James' Palace in London with

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reference to the real opinion of Burmans on this question, many of us had to revise our opinion; and therefore you will find it very significant that at the committee stage of the plenary session on the 16th January, there were doubts, and more than doubts, assertions were made that the people of Burma were neither unanimous nor even in a majority with reference to the question of the separation of Burma from India. You will find also—I do not want to cumber the proceedings of this House with detailed references to the Round Table Conference discussions—you will find, Sir, that the Burmese Sub-Committee made a very significant statement that the Government of the day, His Majesty's Government, should immediately make a declaration announcing the separation of Burma. That was one of the recommendations of this Committee. When this matter came up before the plenary session in committee, delegate after delegate from the Indian side protested against any such premature declaration being made by His Majesty's Government with reference to the separation of Burma, and to this day His Majesty's Government have not made that declaration which was recommended by the Burmese Sub-Committee. That was why in the declaration which was read out by the Right Honourable Prime Minister of England there was no reference to Burma. I should only like to refer to two delegates, who made representations on this subject. The first delegate said:

"I should very much like it to be noted that we strongly object to any declaration being made by His Majesty's Government and to say that the consensus of opinion in the Conference on this point is that His Majesty's Government should make no such declaration."

I think that is very emphatic and very clear.

The Chairman (the Prime Minister) said:

"If you wish that to be noted and communicated we shall have to do it."

Then followed Mr. Jinnah. He went a step further, as an old Parliamentary hand, and said:

"Then will you make it clear as your ruling on the record that nothing that is noted here will constitute a decision until after the plenary session of the Conference has decided?"

The Chairman: Yes, that is my ruling. That is what passes today under the expression, "It is noted."

Sir B. N. Mitra who ornamented the Treasury Bench until recently took up the same position and said that the principle of the separation of Burma would be further considered at the plenary session and that it was open then for the delegates to raise the whole question and get the plenary session to review its decision with reference to the separation of Burma. I might tell the House that Sir B. N. Mitra was a member of the Burma Sub-Committee and he says:

"It is perfectly correct as Mr. Jinnah says, that since then"—i.e., since the Committee had sent its report or was constituted,—"most of us have been flooded with representations from Burma. It now rests with you and perhaps for the plenary session of the Conference to decide whether in view of these later representations the fundamental question should not be reviewed and the modification or proviso suggested by Mr. Jinnah provided."

I may here explain that the proviso which Mr. Jinnah wanted to be inserted was, "provided the people of Burma desire it", a recommendation for the very referendum which my friend so ably and eloquently pleaded for today on the floor of the House. The plenary session did not take

1 P. M. Sub-Committee's Report into consideration at all. What happened at the plenary session was that our mind was directed mainly to the Indian question, and the single resolution was put forward by the Prime Minister that the Reports of these committees afford valuable material on which the further stages of the deliberations of the Round Table Conference can proceed. Therefore that opportunity which, Sir B. N. Mitra, Mr. Jinnah and all of us hoped to have to revise our opinions with reference to the separation of Burma never arose, and I am very glad therefore that my friend has brought this motion today on the floor of the House, so that with the authority of the non-official Members of this House—for from what I have heard from the Finance Member I take it that the official block will be neutral on this occasion—with the opinion of the non-official Members of this House, the opinion of the country will authoritatively go forward that the least that could be done is that the whole question with reference to the separation of Burma should be reopened and should be revised if necessary. ("Hear, hear" from the Opposition Benches.) That is with reference to the proceedings of the Round Table Conference.

I want to put forward another proposition to my Burman friends and to the people of Burma and I crave my friend's special attention to this aspect of the question. At the time when the Burma Sub-Committee was constituted and at the time when that Committee sent its Report, the question of the future form of government for India had not even emerged beyond very hazy notions which individual delegates had on the subject. The Federal Structure Committee was still in the very first stages of considering whether there should be a single chamber or a double chamber; the form of the future constitution of the country, even the skeleton which has now emerged from the deliberations of the Round Table Conference had not then emerged. Now, what is the constitution that has emerged as a skeleton from the decisions of the Round Table Conference? We are asked to have an all-India federation in which provinces with autonomous governments and Indian States will come in and function on the basis of a federation. Inside this all-India federation, it has been suggested that there should be a special secondary federation called the British India Federation, where the provinces alone would come in and function, for the sake of maintaining uniformity and unity of administration of various important subjects,—with reference to those subjects which are not yet ready to be taken over by the all-India Federation because the States would not have them at the present stage, nor transferred to the provinces because that will cut at the root of all the good work that has been done during the last one hundred and forty years of British administration. And we at the delegation said, and I repeat it now that we recognise that some little good has after all been done by this administration, that all that good work should not be dissolved or removed by transferring these subjects to the provinces at the present stage. Therefore, as I visualise the future constitution of the country, there will be an all-India Federation, where only some subjects will come within the scope of that Federation and the provinces and States will be

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 partners thereof; there will be a further British India Federation, where some more subjects which are now Central and which cannot conveniently be transferred to the provinces, will be administered by the provinces coming into the Federation. It is open now—and I want my Burman friends to realise it—to Burma to come in either into the all-India Federation alone or into the British India Federation and the all-India Federation. If Burma, by its special geographical features, by its special characteristics with reference to race, religion and other subjects, thinks that this uniformity, which is required for the British India Federation, is not essential for its purposes, that it can thrive better if it can grow more as an organism and develop at a greater rate of speed by keeping out of the British India Federation, it is still open to Burma with all the rights and privileges that it wants as an autonomous state preserved to come only into the all-India Federation, practically on the same basis as an Indian State. These considerations were not before the Burma Sub-Committee. These considerations were not even before the Burmese delegation. It is not for me to question the character of that delegation. They were my honoured friends and colleagues at the Round Table Conference and I am the last person—I certainly am precluded in any way from casting any aspersion on the representative character or otherwise of the members of the delegation. But I venture to think that even if these delegates at an earlier stage had had the privilege of knowing how the Indian constitution was going to develop and had had also the knowledge of the two courses that were open to Burma, they would not have been consenting parties to that resolution which they were at the time. I therefore suggest to my Burman friends to take back with them not merely an agitation for referendum on the separation of Burma, but to take back with them also enlightenment and education of their own people with reference to the possibility of their coming into either an all-India federation or into both kinds of federation, with great profit for themselves and with mutual benefit both to India and to Burma.

I have been told by representative Burmans, whom I have had the privilege of seeing during the past few days, that there is a very grave misunderstanding as regards what Burma would be after it is separated from India. People have all sorts of curious opinions as to what the effect of that separation of Burma will be for India. I have been credibly informed that with reference to house property and other property owned by Indians in Burma, where, before this separation of Burma was decided in that form by the Round Table Conference, property was intended to be bought from an Indian by a Burman for Rs. 16,000 or Rs. 17,000, today the very same Burman would say, "I do not want it even for a thousand rupees, because directly Burma is separated from India, Indians will all be asked to go out from Burma and this property will come to us automatically without any payment of any money for it". With that sort of education, with that sort of knowledge, with that sort of advantage which they think they will be able to derive from the separation of Burma, it is no wonder that people hold such views. I do not go into the question of official propaganda—we heard a great deal of that in England—charges, very direct charges were levelled, when the Governor of Burma sat there, against the methods pursued by the Government of Burma and by the Governor himself on this question of the separation, these charges were met or were said to have been met by replies which some of the Conservative delegates made at the Round Table Conference—

I do not want to go into them. But I think my friends have a special duty to go back to their country and tell the people of Burma what is the limited advantage that they will get by the separation and how many more and how much graver will be the disadvantages if that separation were to take place. I have very great pleasure therefore in supporting the motion of my Honourable friend. (Cheers.)

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, I beg to join in this debate in order to show what our attitude in this matter is going to be. I fully support the motion made by my Honourable young friend from Burma, to whom I listened with great interest. He has made a speech which for its depth of conviction and for its sincerity is hard to beat. He has spoken with a feeling which shows that there is a great amount of dissatisfaction in Burma at the way in which things are going on there. Sir, I was in Burma about two years ago travelling through the country as President of the Indian Cinematograph Committee, and I may add my personal testimony that here and there there were complaints that official propaganda was being carried on advocating the separation of Burma from India. What our Honourable friend from Burma has told us today reveals to what extent the Government of India are prepared to ignore and to adopt the hush hush policy for which they have recently become so famous. Wherever attention is drawn of the Government of India to excesses on the part of the police or the suspicious methods adopted by Government officials in propagating certain ideas, the Government of India shut their ears and leave the rest to the man on the spot, a theory which is very favourable for them and with them, because they want to be trusted by the people at Home as the men on the spot, and therefore they transmit that theory from themselves to the men on the spot in the provinces. This hush hush policy will never do. They should not shut their ears. We here can bear testimony to the recent havoc which has been committed in various parts of the country, to the strained relations which have been created between the people and the Government on account of various excesses which have been committed. Now, Sir, what is it we hear from Burma? There is a deliberate policy which is being pursued of suppressing public opinion on a matter which is so vital to the Burmese people, and the people at Home are allowed to believe that the Burmans are asking for separation. Sir, we endorse every word which has fallen from my friend, that it should be left to the Burmese to decide what they want, but what is most essential is they should have the opportunity to say what they want to say. Have they had that opportunity? If my Honourable friend's statements are correct—and I have no reason to believe they are not correct—that opportunity is denied to them deliberately, because the advocates of one set of views are the stronger party; they are the official party there, and they have rallied all their forces to suppress opinion to the contrary. Why should not England know, why should not the British Cabinet know what really is the feeling in the country?

Sir, I am indebted to my Honourable friend Mr. Mudaliar for having elucidated one point, and that one point is, it is not yet a closed door. So far as the question of separation of Burma is concerned, it is still kept back as an open question to consider at the future discussions of the Round Table Conference. Before those future discussions take place, it is urgent that the Burmese people should have the opportunity of expressing their real opinion in the matter. I fully sympathise with my friend from Burma

[Diwan Bahadur T. Rangachariar.]

that they should be given that opportunity. His complaint by means of this motion is, his appeal to the Government of India by means of this motion is, that they should be given that opportunity. He seems to have great faith in the Government of India. Let the Government of India justify that faith by the action they propose to take. I am sorry, Sir, my friends the other Members of the Government were not here this morning to hear the eloquent and sincere speech delivered by my friend from Burma. What opportunity have they to gauge the real opinion of Burma if they do not listen to gentlemen like our friend who spoke this morning, with a conviction and a sincerity and with a knowledge of the local affairs which a Burman gentleman alone can do? If they had heard him here today, would they not have taken time to decide in the way in which we are urging the Government of India to do? It is by personal contact that we can realise the gravity of the situation. Sir, notwithstanding the slight inconvenience which has been caused to this House by means of this motion deferring the consideration of the Finance Bill, on which my friend the Honourable the Finance Member is so much bent, notwithstanding that inconvenience, I think, in order to mark our sense of the gravity of the situation created in Burma, we ought to give our united support to this motion for adjournment of the House today. Sir, that attitude of ours will show that we Indians are not behind-hand in extending our hand of co-operation to them when they are in trouble, and I am sure the Burmese people will appreciate our attitude in the matter. In fact, other reasons have been urged why this adjournment should be carried, because the Burmese people had no opportunity of considering the other alternative which my friend Mr. Mudaliar has drawn pointed attention to—the question of separation or no separation, or that Burma should come into the idea of Federation which has now come into the range of practical politics. If they get full provincial autonomy or Dominion Status, why would they desire to be out of India, having been connected so long with India? They might like to remain in India in the Federation as other provinces would like to be. So there are various reasons why the real Burman opinion should be taken in the matter, and more essential than that is, there should be free and full opportunity given to the Burmese people to give expression to their opinions. That opportunity they have not had. So, Sir, it is to emphasise that aspect of it I and the people whom I represent lend our support to this motion.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Sir, I have also no hesitation in supporting the motion which has been so eloquently, lucidly and impressively moved by the Honourable Member from Burma. The other day we had a discussion on the Burmese question with reference to certain methods adopted by the Burmese Government in connection with the question. . . .

The Honourable Sir James Crerar (Home Member): It was not in connection with this question.

Sir Abdur Rahim: I could not catch what the Honourable Member said.

The Honourable Sir James Crerar: I am sorry to interrupt the Honourable Member. I should like to make it clear that the matters which we discussed on the occasion to which the Honourable Member referred as

measures taken by the Burmese Government were not in respect of the motion now before the House, but they were in respect of the rebellion.

Sir Abdur Rahim: I did not mean that the previous motion was in respect of the question that is now raised by the Honourable Member from Burma. I don't think there was any room for misunderstanding on that point. Sir, the question that has been raised today is one of the greatest importance. Burma is not a small province which can be neglected. It has now been connected with India for a fairly long time. My friend Mr. Mudaliar has explained to the House how the question relating to the separation of Burma was dealt with at the Round Table Conference, and there can be no doubt that what he has told us represents the true facts. It was rushed through. The delegates from Burma apparently did not represent a very large volume of public opinion in Burma, and when that opinion made itself felt, when telegram after telegram was sent to the delegates of the Round Table Conference regarding the actual situation, the Indian members hesitated a great deal in accepting the position which had been taken up at the earlier stages by the Burmese delegates. And, Sir, I think it is all to the good that no final or conclusive declaration was made on this question by His Majesty's Government. From what we have heard from the Honourable the Mover of this motion, who spoke with such a depth of conviction and intimate knowledge of the situation, there is a very considerable opinion in Burma against separation being effected without a simultaneous declaration that the Burmans will enjoy Dominion Status in the same way as the Indians, and now that there is a good deal of opinion in favour of an All-India Federation, it affords an additional reason why the Burmese should reconsider their position with respect to separation. The interest of India in Burma is very great, and, so far as we are concerned, we have no desire whatever to stand in the way of the Burmans attaining their fullest political ambition. If they want separation from us, it has been made perfectly clear by all sections of this House that we, the Indians, do not stand in their way. It is only right and proper that the Burmese opinion in a matter of this vital importance to them should have full effect without any interference from us. On the other hand, we, Indians, will be very glad if Burma remains a part of the Indian Federation, but that is entirely for them to choose. Now that the question has been brought to this stage, it is evident that Burmese opinion is greatly stirred as to what may be the result on their province of any premature separation from India, because, after all, Burma is a small country compared to India, and they might well consider it a great advantage for their future, to remain connected with India and not to be separated from her. Sir, it is essential that on a question of vital importance to them the Burmese opinion should be heard fully. Every possible opportunity should be given to the Burmans to express themselves on the question of separation. I am afraid—we at least on this side of the House feel considerable doubt—whether the Burmese opinion is having full play on this important question. For some time, a certain amount of agitation has been going on in the direction of separation, and it is difficult for us to come to a definite conclusion how far that represented a genuine desire on the part of the Burmans to be separated from India. But the Honourable the Mover of this motion, I think, has succeeded in convincing us that there is a great need, indeed an absolute necessity, for Burmese opinion being properly consulted before any definite decision is arrived at. I am not prepared—I do not think that any Member of this

[Sir Abdur Rahim.]

House is prepared—to endorse at once any statement that methods are employed by high officials in Burma in order deliberately to suppress public opinion. That may or may not be the fact. At the same time, there is no doubt that there is a considerable division of public opinion in Burma in this important matter, and the suggestion made by the Honourable the Mover that regular steps should be taken to consult all shades of opinion, I think, deserves the support of this House. It is a great relief to us that the question is still open for consideration, and we do hope that no decision will be arrived at until Burmese opinion on the subject has been fully consulted.

Mr. N. M. Joshi (Nominated Non-Official): At the Round Table Conference I was one of the interested and keen observers of the proceedings regarding the question of the separation of Burma from India. My colleague Mr. B. Shiva Rao, who along with me in that Conference represented the workers of India, and I take it, including Burma, took part in the proceedings of the Burma Sub-Committee and of the plenary session of the Committee itself. Mr. Shiva Rao put the case as regards the separation before the Conference very ably, and I am glad to find that the efforts which he made then are finding recognition from the Burmese people.

The question of separation of Burma must be decided mainly by the Burmans themselves. But before the separation takes place, it is necessary for us to see how the interests which are involved in the separation are affected. I am mainly concerned with the interests of the workers in Burma, both the Burmese workers and the Indian workers who are working in Burma. Sir, at present, in Burma more than two-thirds of the workers working in factories, mines, plantations, oil-fields and other industries are Indians. There are some industries which are almost wholly manned by Indian workers. It is necessary for us, therefore, to see how the interests of these workers as well as of Burmese workers will be affected by separation. At present, when Burma is included in India as one of its provinces, the workers in Burma are under the protection of the same labour legislation as prevails in India. I do not suggest that that protection is very large, but at the same time, the Indian workers as well as the Burmese workers in Burma have that protection. Moreover, the Government of India has some control over the Government of Burma, especially in labour matters. Now, we must see how the interests of the Indian workers working in Burma will be affected and how we can safeguard those interests if Burma is to be separated. In the first place, if Burma becomes a separate Dominion or a separate country, we shall have to take some steps, before the separation is effected, to protect the interests of the Indian workers. We may come to an agreement with Burma as we have come to an agreement with the Government of Ceylon and the Government of Malaya, for the protection of the interests of the Indian workers in Burma.

Mr. Jehangir K. Munshi (Burma: Non-European): Mr. President, I do not wish to interrupt my Honourable friend, but I rise to a point of order as to whether all this is relevant to the issue before the House.

Mr. President: I had my doubts also. The question that is being debated today is whether Burma should be separated from India or should not be separated. If the question is decided in favour of separation,

then, necessary provision will have to be made not only in regard to labour but in regard to all the interests that may be affected by such separation. The main question here is whether the consideration of the Finance Bill should be postponed for a day in order to allow the House to discuss the one particular matter which the Honourable Member from Burma has raised.

Mr. N. M. Joshi: I do not wish to question your ruling, but at the same time as we are discussing the question of separation, I feel it is my duty to place before this House—not to discuss fully—the matters to which consideration will have to be given. I assure you that I do not propose to discuss these matters fully. I am just mentioning the points which will have to be considered. Then, Sir, we shall have to find out some way

Mr. President: May I point out to the Honourable Member that it would be better if he would confine himself to the main issue that is before the House. If I allow the debate to go into a consideration of the various interests that will be affected, if separation takes place, it would lead to an interminable debate. The main question before the House is whether Burma should be separated or not and whether the decision should be by the voice of the Burmese people. That is the issue. If the Burmese people decide that Burma should be separated, then all questions as to how the various interests in India and Burma should be reconciled will be relevant. Honourable Members must realise that this is an extraordinary procedure adopted on the present occasion. The motion is to postpone the Finance Bill for one day in order to enable this particular question of principle to be discussed. I am sorry therefore I cannot allow the Honourable Member to deal with the details that will arise, in case the principle is decided.

Mr. N. M. Joshi: Agreeing with your ruling, I shall confine myself now to one question and it is this. If Burma is to be separated, that separation, in my judgment, should take place in accordance with the wishes of the Burmese people. The wishes as expressed in Burma point to the fact that if Burma is to be separated at all, she must be made a Dominion. Sir, this point is of great importance to workers in Burma as well as the workers in India. Burma as a Dominion along with India is a member of the International Labour Conference. The workers in Burma along with the workers in India have got some international protection in regard to their life and work. If Burma ceases to be a Dominion and a part of India and does not get right of a separate seat in the League of Nations, the Burmese workers will to this extent lose the protection which the Burmese workers get under the present arrangement. I am therefore anxious that if Burma is to be separated at all, Burma must be made a Dominion with a separate seat in the League of Nations. That alone will enable the Burmese workers and the Indian workers in Burma to retain whatever little international protection they enjoy today. Sir, I support the motion.

Mr. President: I should like to ask Honourable Members whether it is their desire that the House should adjourn for lunch. I would personally prefer to sit till about 2 o'clock if necessary, and then adjourn if the amendment is carried.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): We have not heard the Government point of view at all in this matter. I was here when my friend the Honourable the Finance Member spoke. He only said that to take up this question at this stage will mean postponement of the consideration of the Finance Bill, which means that we will be working against time at a later stage. Surely, Sir, when such an important issue has been raised, since Burma is still a part of India, we are entitled to know what the Government themselves think about this matter and what action they propose to take on the discussion that has taken place. I think it will be treating the House very discourteously if we do not hear the Government point of view.

The Honourable Sir James Crerar: This is, I think, a question which, if my Honourable colleague, the Leader of the House, had been present it would have been appropriate for him to answer, and in his absence I propose to speak very briefly on the subject. I think the Honourable gentleman who has just spoken and the House generally, having regard to the importance of the question raised by this motion—and it must be universally recognised by the House as a very important question—could not expect the Government of India, without notice, apart from many other considerations, to pronounce a deliberate and considered opinion on matters of such momentous importance, and I must emphasize once more the point which has been made by my Honourable colleague, the Finance Member, that the whole of this complex, intricate and important question must necessarily be considered in the course of the continuance of the discussions of the Round Table Conference. That being so, it would not only be impossible but it would be improper for the Government of India to undertake at this stage and at this short notice, in any insufficiently considered manner, to express opinions on matters of which the Round Table Conference is now seized. I say it would not only be impossible, but it would be improper. For these reasons I regret very much that it is not possible for me to respond to the suggestion made by my Honourable friend.

Diwan Bahadur T. Rangachariar: The point is whether opportunity will be given for free and full expression of opinion. Cannot the Government of India give an assurance on that point?

Diwān Bahadur A. Ramaswami Mudaliar: May I ask whether the Government of India have had any correspondence with His Majesty's Government with reference to any question which takes the question of separation of Burma further.

The Honourable Sir James Crerar: It necessarily follows from the circumstances of the case that we have been in communication with His Majesty's Government on the subject, but these communications have not reached a stage which enables me to make any pronouncement on the subject before the House at this juncture.

Sir Abdur Rahim: Has the question been left open so far as the Government of India are concerned? May I inquire whether the question has been left open by the Round Table Conference or not—the question of separation?

The Honourable Sir James Crerar: I regret very much that I cannot add to the Honourable Member's information beyond the public pronouncements which have already been made on this subject.

Mr. Jehangir K. Munshi: What is the position of the Government of India? Do the Government of India treat the question of separation as a settled issue or not a settled issue? I am not talking of His Majesty's Government. I am only talking of the Government of India.

The Honourable Sir James Crerar: I think the House will recognise that I cannot allow myself to be cross-examined on this question. I have endeavoured to make my point clear, and for my own part and so far as the Government of India are concerned, I regret very much that I must leave it at that.

Mr. President: I cannot allow this to go on any longer. I have allowed some of the leading Members of the different parties in the Assembly to interpellate Government and they have received such replies as Government are prepared to give. I cannot allow this to proceed further. I should like again to ask whether Honourable Members desire that they should continue the debate after lunch.

Honourable Members: Yes.

The Assembly then adjourned 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.

Mr. Jehangir K. Munshi: Mr. President, it is a matter of misfortune that my Honourable friend, Sir George Rainy, is unable to attend the House today, by reason of indisposition. As we all know, Sir George Rainy, is suffering from a severe cold in the head; but I have not been able to understand why that should have given my Honourable friend, Sir James Crerar, cold feet. (Laughter.) I have been amazed and I am sure the whole House has been amazed at the attitude which my Honourable friend, Sir James Crerar, has taken up in the course of this very important debate. He has refused to answer any questions on the ground that he refuses to be cross-examined. This important debate is taking place in this House, serious allegations have been made by my Honourable friend, U Kyaw Myint, in the course of his very able maiden speech, the House naturally expects to hear whether the Government of India admit any of the charges made, or whether the Government of India are in a position to deny any of the charges made; but Sir James Crerar has definitely said that he does not wish to open his mouth in the course of this debate.

Sir, at the very outset I would like to pay a tribute to His Excellency Sir Charles Innes, who occupied a seat on the front Treasury Benches in this House for a number of years with great distinction and who is now making history as Governor of Burma. Sir Charles Innes I regard, Sir, as the greatest Empire-builder that Great Britain has produced during the past sixty years.

Mr. B. Das: Quite.

Mr. Jehangir K. Munshi: He has succeeded in mesmerising the Government of India, and he has also succeeded in mesmerising His Majesty's Government. (Laughter.) Mr. President, Sir Charles Innes assumed office as Governor of Burma in the beginning of January, 1928. The very first public utterance Sir Charles Innes made was at the Convocation of the Rangoon University held in February, 1928, when he delivered his address as Chancellor of the Rangoon University. I take it, Sir, that the Government of India take interest in matters of importance relating to every province, including even my province of Burma. In the course of that address and in his subsequent speeches delivered in Burma, His Excellency Sir Charles Innes stressed a number of points; but he emphasised two main points. He told his audience, the limited audience which was assembled in the Convocation Hall for that particular function and the wider audience within the province of Burma, that Indians were displacing Burmans in almost every walk of activity in the province. He asked Burmans to ponder over the ultimate result of this if nothing was done to stop it. He went further, and the second point he put forth was that if Burmans did not wake up, the Burmans as a race stood the risk of being exterminated.

Mr. B. Das: By whom? By the Europeans or by the Indians?

Mr. Jehangir K. Munshi: By the Indians. I am not in the course of this debate going to deal with the question whether it is or it is not possible for the Burmese race to be exterminated by the Indian or by the Chinese or by any other race. I shall only deal with the clear implication of this observation, solemnly and deliberately addressed by the Governor of Burma to the public in Burma. What he said was, "If you Burmans as a race want to save yourselves, you must keep the Indians out of the province". Nay, more than that, "You must put the Indians down"; and according to His Excellency the Governor of Burma, the only method of doing that was by clamouring for separation from India. Now I am not here concerned with the embarrassing situation in which my Honourable friend, Sir James Crerar, may or may not find himself as a result of certain instructions which he might or might not have received from His Majesty's Government, but I will make this very clear statement on the floor of this House that ever since Sir Charles Innes set foot on Burmese soil, he started this propaganda of inciting the Burmese people against . . .

The Honourable Sir James Crerar: On a point of order, Sir, I suggest that the Honourable Member has already transgressed or is in danger of transgressing Standing Order 29 (iv) by referring to the conduct of the Governor of Burma.

Mr. Jehangir K. Munshi: I wish to assure my Honourable friend, Sir James Crerar, that his apprehension that I have transgressed or am about to transgress that particular Standing Order is unfounded. However, I shall be very careful

Mr. President: The Honourable Member started his observations in such a manner as to lead to the apprehension that he may come within the provisions of the Standing Order referred to. I would ask the Honourable Member to confine his observations to the main issue that is before the House.

Mr. Jehangir K. Munshi: I shall take the greatest care, Sir, not to transgress that Standing Order.

Now, I shall proceed to deal with the grave implication of this propaganda. Are the Government of India prepared to endorse this statement that separation will enable Burmans to keep Indians out of the province of Burma or to impose disabilities on the Indians who have settled in Burma? This is a statement which the Government of India are bound to deal with because, as I shall now proceed to point out, this was the starting point adopted by the Government of Burma to mislead the Burmese public. Sir Harcourt Butler laid down his office as Governor of Burma after a very distinguished record. I sat on the Opposition Benches as an elected Member of the Burma Legislative Council during the entire period of Sir Harcourt Butler's office as Governor of Burma. I have no hesitation in paying a tribute to Sir Harcourt Butler who proved himself to be a great friend of Burma without adopting any tactics of rousing racial animosity. (Applause.) Now, I would ask the Government of India whether they are prepared to endorse this statement made by the Government of Burma to the people of Burma that after separation, the people of Burma will benefit to this extent that they will be able to keep out Indians from Burma and will also be able to keep down the Indians in Burma. This has been the greatest misleading plank in the course of the separation propaganda. Now, I do ask Honourable Members sitting on the Government Benches, if such an attempt were made by any Government in Burma, whether it was a Government which was part of British India or whether it was a Government of a separated Burma, what would be the attitude of the Government of India? The answer can be one and one only. Therefore, it is up to the Government of India now, through Sir James Crerar, to declare to the people of Burma that if they have been misled into asking for separation in the expectation that in a separated Burma they will be allowed to keep out one particular section of His Majesty's subjects or that they will be able to subject them to any disabilities in the province of Burma, then they are gravely mistaken. They may or may not desire separation on other grounds, but if they desire separation on this ground, then they will be bitterly disappointed, and the Government of India as an honest Government, cannot be a party to any such misleading suggestion. That is Sir James Crerar's obvious duty and I do hope he will discharge it in the course of this debate. (Applause.)

Now, Sir, during the past three years, Sir Charles Innes has delivered a number of speeches in Burma. He spoke on more than one occasion at the meetings of the Burma Chamber of Commerce, the Rangoon Trades Association, St. Andrews' Dinner and in his address to the Burma Legislative Council. All these speeches and addresses were distributed over more than two years. All the addresses which he made to the people of Burma were in the same strain. Is it any wonder that a simple-minded, trusting race, or at least a section of them, has been misled into thinking that it is desirable for Burma to ask for separation on the grounds advanced in these speeches and addresses and for reasons quoted by the Head of the Province? That, Sir, was the beginning of the trouble. But, as my Honourable friend, U Kyaw Myint, has pointed out, the Government of Burma, in spite of a systematic propaganda of a most misleading nature, has not succeeded in hoodwinking the province of Burma or anything like

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[Mr. Jehangir K. Munshi.]

a majority in the province of Burma. The Government of Burma has certainly succeeded to a certain with a certain section of the Burmese people. I have not the slightest hesitation in saying that, if such speeches were made by any Indian politician in India or by any Indian or Burmese politician in Burma and if they were brought to the notice of Sir James Crerar, he would be the very first to endorse the proposition that that man ought to be dealt with immediately under section 124-A of the Indian Penal Code. A series of deliberate attempts to sow discord between two friendly races and to rouse feelings of hatred amongst the Burmans as against the Indians are, I take it, governed by section 124-A of the Indian Penal Code. If that is not so, then all the prosecutions launched by the Government of India or by the Provincial Governments during the past 10 years ought to be wiped out.

Now, Sir, I come to the second stage of the achievement of the Government of Burma, for which, of course, the main credit must go to His Excellency Sir Charles Innes. The second stage was reached when the Round Table Conference was formed. The task of inviting delegates from Burma to the Round Table Conference, was, I presume, left to the Government of Burma.

The Honourable Sir James Crerar: It has already been explained by the Leader of the House that these invitations were extended to the delegates by His Majesty's Government.

Mr. Jehangir K. Munshi: Am I to understand from Sir James Crerar's last statement that the Government of India were not approached directly or indirectly by the Government of Burma with regard to the number of the Burma delegates and with regard to the personnel of the Burma Delegation?

The Honourable Sir James Crerar: No, Sir. The Government of India were not approached by the Government of Burma.

Mr. Jehangir K. Munshi: Did not the Government of India care to find out if the Government of Burma had secured a proper delegation?

The Honourable Sir James Crerar: I have already replied to the question.

Mr. Jehangir K. Munshi: I take it that the Government of India were indifferent as to whether the Government of Burma submitted a fair and proper list to His Majesty's Government or not. If the Government of India want to take upon their heads more and more charges, I cannot stop them; but I did not intend to make this charge against the Government of India that they were so indifferent to the interests of Burma that they made no effort at any stage to ascertain whether the Government of Burma was or was not submitting a fair and proper list to His Majesty's Government. A list of four delegates was submitted to His Majesty's Government by the Government of Burma, according to Sir James Crerar, without the knowledge and consent of the Government of India and behind their back. One delegate was Sir Oscar DeGlanville. He is a distinguished man. I have nothing to say against him. He is a personal friend of mine. But, Sir, however distinguished he may be his political views do not fit him to represent a large province with a population of 14 million which includes 12 million Burmans. Sir Oscar DeGlanville represented his own community and the Government of Burma. I do not grudge the European community the representation they got at the Round Table Conference; they were entitled to

it and they had it. I do not think that my Honourable friend, Sir James Crerar, in spite of his protestations of ignorance, is prepared to go to the length of saying that he does not even now know that no delegate was called from Burma to represent the Indian community. I am sure he does know that although a delegate was invited from Burma to represent the European community, whose population in the whole province is less than five thousand, no representative was called to the Round Table Conference to represent the Indian community in Burma with a population of more than one million. Now, if the Government of India had discharged their duties as a Central Government should do, such an amazing omission would not have taken place. If the whole of the delegation had been confined to and composed of Burmans, I would have raised no protest against it because I have always held the view, and I will continue to hold it, that minorities in any country can only prosper and be happy with the goodwill and friendship of the majority community. That is the principle, Sir, that I have tried to preach to my Indian brethren in Burma; and I venture to think I have succeeded in achieving a certain measure of success in this direction. But my objection is this that if the very small European community in Burma could find representation, why should similar representation has been denied to the Indians in Burma? I wish to emphasise one more point in this connection. That point is that Sir Oscar DeGlanville, who was selected by the Government of Burma, has been the foremost champion of the separation of Burma from India at any cost. I have now dealt with the European member of the Burma delegation. U Aung Thein one of the Burmese delegates, as my Honourable friend, U Kyaw Myint, has pointed out, represented nobody if he did not represent the Government of Burma. The two remaining Members of the Burma delegation were U Ba Pe the Leader and U Ohn Ghine the Deputy Leader of the People's Party, whose selection was perfectly justified, as the People's Party, for whom I have great admiration and regard, is an important political party in Burma and no conference, commission or committee dealing with Burma can be complete without an adequate representation of the People's Party. On that ground, nobody can have any grievance. But as the People's Party itself has pointed out, the Burma Delegation was unrepresentative in character, as the People's Party alone could not represent and did not claim to represent the whole province. The result was that the Government of Burma, the European community in Burma and the People's Party were represented at the Round Table Conference and the rest of Burma was wholly unrepresented (Cries of "Shame").

Now, Sir, if the Government of Burma at any time genuinely believed that the people of Burma as a whole desired separation at any cost or on the terms cherished by Sir Charles Innes, there should have been no hesitation on the part of the Government of Burma to play its part fairly and honestly and to submit to His Majesty's Government a representative list including even the opponents to the movement for separation.

I now turn to the next stage in this drama and it is this stage that fills me with boundless admiration for His Excellency Sir Charles Innes. I am sure my Honourable friend, Sir James Crerar, cannot stop me and would not like to stop me from expressing my admiration for Sir Charles Innes. What happened at the Round Table Conference? I have been told by my Honourable friend, Mr. H. P. Mody, who unfortunately has been

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called away to Bombay, that the question of separation came up one afternoon before the Conference. After three or four speeches had been delivered, the Prime Minister put it to the Conference that he took it that there was not only a general but almost an overwhelming desire that Burma should be separated. I have tried to ascertain from my Honourable friend, Mr. Mody, and several other delegates to the Round Table Conference but nobody has been able to tell me clearly what happened during that hour. Anyhow within a few minutes, the principle of separation had been accepted. After this declaration was made by the Prime Minister, I believe Mr. Shiva Rao rose to ask the Prime Minister, who was the Chairman, whether the question of separation was or was not an accomplished fact and whether it could be debated in the Burma Sub-Committee, and he was told that it was a closed and settled issue. Now, Sir, after this, I am sure Sir James Crerar will not grudge my paying tribute to Sir Charles Innes, for the great skill with which he rushed the whole thing through the Conference in a few minutes.

An Honourable Member: Is all this in the published proceedings?

Mr. Jehangir K. Munshi: I think my Honourable friend, Mr. Mody, will be able to tell you better. I am sure Sir James Crerar will not grudge the tribute I am paying Sir Charles Innes because if he could achieve so much, he certainly deserves tribute and His Majesty's Government were mesmerised to this extent that they closed this issue of separation in a few minutes and said, "It is a settled issue". Now, Sir, the farce enacted at the Conference over this question of separation is a farce unparalleled in the constitutional history of any country.

We now come to another stage in the Burma Committee which was presided over by the late Earl Russell, who was then Under Secretary of State for India. In the Burma Committee Mr. Shiva Rao and my Honourable friend, Mr. Mody, again raised the question, whether the question of separation of Burma was a closed issue or whether it was an open issue and the Chairman told them that it was a closed issue. But they tried to argue that it was not a closed issue, that nobody knew what had happened and they contended that His Majesty's Government could not turn down the destinies of twelve million Burmans in the off-hand manner they did. Sir Isaac Foot, one of the Liberal representatives at the Conference came to the help of Mr. Mody and urged on the Chair that it could not fairly be treated as a settled issue because the question had never been discussed by anybody. In some half-hearted manner, the question was treated as partially open to indirect discussion in the Burma Committee, and then came the minutes of dissent. Some trouble arose as to whether the minutes of dissent put in by Mr. Shiva Rao and Mr. Mody could or could not be treated as forming part of the Report of the Burma Committee. However, the Report came back and was considered by the Conference, not the Plenary Session of the Conference, but by the whole Conference sitting in Committee. By this time the delegates' rooms were flooded with cablegrams received from Burma; innumerable meetings were held, hundreds of memorials, lengthy representations and strong protests were sent from Burma. Of course, I can easily understand the feelings of pain and surprise with which the Indian delegates must have suddenly discovered that they had been innocent and unwilling parties to very great

harm being done to Burma, without any proper discussion at the Conference. In the absence of adequate discussion, the question of separation of Burma was treated as a closed issue and that was on the footing, on the assumption, and on representations made to the Indian delegates that Burma desired separation, not that a small section of Burmans desired separation, but that Burma as a whole desired separation. On the other hand, the fact was that a large section of Burmans objected to separation. Then, naturally efforts were made to reopen the whole question, and to do full and proper justice to Burma. Now, Sir, I wish to make it clear to you, because what I say is likely to be misunderstood in Burma, that when at this meeting of the Conference which met in full Committee, the Indian delegates tried to reopen the question they did so not on any racial or communal grounds, but purely on the ground that they had been misled into playing a part which they thought Burma desired. Now when they found that they had been misled into playing that part, they, as conscientious men working for the interests of Burma, wanted to satisfy themselves as to what Burma really and actually desired. When the Prime Minister found that there was vehement opposition at this stage, he tried to take up an evasive attitude. But when Mr. Jinnah, if I may use the expression, practically drove him into a corner, the Prime Minister was compelled to say that the question of separation was not a closed issue and that it would be further considered by the full Plenary Session of the Conference—they were meeting at that stage in full Committee. This evidently afforded satisfaction to the Indian delegates.

Then comes the most amazing chapter of the drama. Nothing more was heard about Burma. Day after day, people in Burma were opening their papers anxiously to find out what was happening to that reopened question of separation, what His Majesty's Government were going to do about it, in what way they were going to find out the true sentiment and desire in Burma. What really happened after this was that in the full Plenary Session of the Conference on the very last day, the Prime Minister delivered his speech and in that exhaustive speech which raised so much hope in India, there was a brief reference to Burma, confined to three lines. I remember, Sir, I was in the Rangoon Bar Library at the time, and we all put our heads together and tried to put a construction on what the Prime Minister was trying to say about Burma. We found that there were two constructions possible, each of which could be advanced with equal assurance. If one construction was put, it appeared as if the question of separation was an open issue; if another construction was put, it appeared as if the question of separation was a closed issue. However, the Indian delegates to the Conference could not, in that naturally excited state of mind when they were listening to the future of India, sit down and analyse the exact significance and meaning of the three lines in which the Prime Minister disposed of Burma. We in Burma did not know what to make of it. But the next morning Burma was thoroughly frightened. Here I am constrained to state that the tactics adopted by His Majesty's Government in that Conference were nothing short of breach of faith. I take you back, Sir, to that stage when the Prime Minister told Mr. Jinnah and the full Conference that the issue of separation was not a closed issue, and that the issue of separation would be considered further by the full Plenary Session of the Conference; that pledge was never kept. Not that the Prime Minister lost sight of it, because if he had lost sight of it, he would not

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have inserted those three brief lines in his speech, giving, like the Oracle of Delphi, an utterance which might equally mean one thing or the other. The Prime Minister wound up his speech by a statement which he read out on behalf of His Majesty's Government, and in that statement no reference whatever was made to Burma. The Conference then broke up. Next day—I do not know whether it was manœuvred or whether it was a fortuitous coincidence—but the next day Mr. Wedgwood Benn in answer to a question put by a Member of Parliament—I forget his name and I have not got the Press cutting with me now—made a statement in which he said (I am now speaking from memory) that His Majesty's Government had decided to separate Burma and would proceed to give effect to that decision. The pledge given by the Prime Minister to the Conference that this question would be debated in full Conference was torn up, and this definite declaration was made within less than 24 hours after Mr. Ramsay MacDonald had made that cryptic statement of three lines in his speech and had made no reference whatever to Burma in the official statement read out by him. Then a supplementary question was put, if I remember rightly, as to what form of Government separated Burma would have. Mr. Wedgwood Benn carefully avoided the slightest use of or reference to the expression "Dominion Status", but he said that the pledge given to Burma when she formed part of British India in 1917, that she would have gradual realisation of responsible government, held good. Of course when this answer came, if the Burmans were philosophers and nothing else they might have been overjoyed. But the Burmans are not altogether philosophers. It was then that a full sense of awakening took place. It was then—if I may use a highly unparliamentary expression—that the people of Burma realised that Sir Charles Innes had sold them a pup. I apologise to you, Sir, and to the House for using an unparliamentary expression.

Sir, my heart bleeds for Burma. I belong to a microscopic minority—the Parsee Community. I have no interest to serve one way or the other. The only stand which I take up now, which I have taken in the past and which I will continue to take in the future, is dictated by my love for Burma and the Burmans, a simple, trusting, loveable race, a race overflowing with love and goodwill for everybody. Seeds of discord have been attempted to be planted in Burmese hearts; pledges were given which were intended to be dishonoured; and deception has been practised on Burmans from start to finish. My Honourable friends from India attending the Round Table Conference were very busy with their own affairs, and were unconsciously a party in doing Burma very grave harm; but let me say it again clearly to their great honour, that the moment they discovered that they, equally with the Burmese race, had been made victims of misrepresentation and deception, they asserted themselves, but, as I have explained, their efforts have so far been in vain.

Sir, I will now give the House a short review of the attitude of the Government of Burma after Cæsar came back to Burma as conqueror. Sir, we have had in Burma recently an attempt to suppress the free expression of public opinion more particularly against separation. We have had recently an Ordinance. I am not dealing with the Ordinance; I am only pointing out the fact that there is an Ordinance.

The Honourable Sir James Crerar: Sir, I may point out that that Ordinance has no reference to the expression of public opinion. It has reference to the terrorist movement or rebellion.

Mr. Jehangir K. Munshi: Sir, I take it that my Honourable friend, Sir James Crerar, has read that Ordinance. He says that it has no reference to the expression of public opinion. That Ordinance, and the Bill which is a reproduction of the Ordinance, confer on the Government of Burma power to arrest and imprison any person whom they consider connected with certain activities specified in the Ordinance. I am unable to appreciate Sir James Crerar's difficulty. He is unable to see the connection between expression of public opinion on the one hand and the use of this Ordinance or the Bill on the other hand. I will try to make it clear to him. My Honourable friend, U Kyaw Myint, told the House this morning that you, Sir, allowed him to make this fearless speech in this House this morning, but that if he goes back to Burma and tries to repeat half the speech that he made here this morning he would be arrested under the Ordinance if the Bill has not come into operation or under the Bill if it has come into operation, of course on the alleged ground that this harmless young Burman is connected with some alleged revolutionary party. If the connection is still not clear to Sir James Crerar, I may have to labour the point further but I think it is now quite clear to him. Now, Sir, the Central Government have a serious responsibility in the matter. They have got sacred obligations and they cannot close their eyes to the fact that the Government of Burma is very keen on the question of separation, that the Government of Burma is determined to achieve its end by using every power that it can wield in that province. Is it fair and proper on their part, without proper inquiry, to arm the Government of Burma with such extraordinary powers which are bound to produce, and I say have already produced, a suppression of public opinion in Burma against separation?

Sir, that is one step the Government of Burma has taken. The other step is that they have declared the very powerful G. C. B. A. an illegal association by issuing a notification under the Criminal Law Amendment Act. Now, Sir, as my Honourable friend, U Kyaw Myint, told the House, the G. C. B. A. represents in Burma not only what the Congress represents in India but a great deal more; it is more powerful and a great deal more far-embracing; because it is sometimes said in India that there are some important schools of political thought which are outside the Congress. It is said that the important Muslim community is out of the Congress. But there is no such thing in Burma. The four letters, G. C. B. A., mean the General Council of Burmese Associations. It consists of associations spread over every town and village in Burma. It embraces millions of Burmese Buddhists; it represents Burmese opinion; it represents Burmese sentiment. The G. C. B. A. wield the real and true political power in Burma. Now, Sir, the G. C. B. A. has all along been entirely against separation,—whether rightly or wrongly I am not concerned with. The G. C. B. A. is entirely against separation and the Government of Burma is for separation by hook or by crook. Is it not therefore natural, as human nature is constituted, that it should use extraordinary powers in suppressing that association? The whole of the U Soe Thein G. C. B. A. has been declared unlawful; anybody who claims to be a member of or acts as a member of that association is liable to be imprisoned.

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This is the final stage of Burma's misfortune or shall I say the beginning stage?

Then, Sir, there is a man who as an individual wields more influence in Burma than any other man, and that man is U Ottama. As my friend, U Kyaw Myint, pointed out, U Ottama cannot open his mouth in Burma. If he does he will be immediately put inside the four walls of a prison. He is not allowed to say anything in Burma with regard to the real sentiment and desire of Burmans on the question of separation. He is not even allowed to say it in India without being harassed by the Calcutta Police. He is not allowed to go to England to tell His Majesty's Government and the British public exactly what the Burmans want and desire.

Sir, is it proper for the Government of India to be a party to these tactics? If the Government of India say that they know nothing of these things, then I charge them with having failed in the discharge of their most elementary duty of exercising proper supervision and control over the Provincial Governments. Are we paying fat salaries to these Honourable gentlemen on the Treasury Benches for saying that they know nothing about the administration of the provinces under their charge? I am surprised at the attitude taken up by Sir James Crerar in the course of this debate. Sir James Crerar has refused to reply to questions, has refused to be "cross-examined", has refused to answer inquiries, and has refused to say anything as to where the Government of India stand on this question of separation—a question of the most vital importance to Burma. I shall now proceed, Sir, to make a series of assertions and I claim that the assertions which I shall make are correct and accurate. If they are incorrect or if any of them is inaccurate I am sure my Honourable friend, Sir James Crerar, will get up and contradict or correct me. If he does not, I am entitled to ask the House to accept my assertions as assertions admitted by the Government of India. My first assertion is this: that His Majesty's Government have issued instructions to the Government of India and to the Government of Burma to proceed with the task of completing separation through the usual official channels. I shall repeat it; there should be no misunderstanding about it. I assert and I challenge the Honourable Sir James Crerar to contradict me if I am wrong even in the slightest detail, that His Majesty's Government have issued specific instructions to the Government of India on the one hand and the Government of Burma on the other, to proceed departmentally with all necessary preliminary work with a view to give effect to the settled decision of separating Burma from India.

The Honourable Sir James Crerar: I am sorry to interrupt the Honourable Member

Mr. Jehangir K. Munshi: I invite it.

The Honourable Sir James Crerar: But I must at this stage say that the Honourable Member will not be entitled to infer from any silence on my part any consent as to his propositions.

Mr. Jehangir K. Munshi: Mr. President, in this House we conduct debates on wellknown parliamentary principles, and not on principles enunciated by Sir James Crerar (*Opposition cries of "Hear, hear"*). This is the Indian Parliament. Sir James Crerar may regard it as a mock Parliament; we regard it as a real live parliament. I ask the House, is it

conceivable that any responsible Minister of His Majesty's Government would stand up in the House of Commons and tell a member who is making assertions and challenging the Treasury Benches to contradict him if they are incorrect, "I shall not say yes, nor shall I say no; but let not the House take anything for granted". They must take it for granted, and I do ask the House to assume that Sir James Crerar cannot contradict these assertions because they are accurate. (*Opposition Cheers.*) I can quite understand the position of the Government of India: they must carry out the instructions which they have received from His Majesty's Government; but had the Indian Government exercised the same control over the Government of Burma as His Majesty's Government exercise over the Government of India, Burma would not have been in this unfortunate position, because then the Government of India would have found out that what was being forced on Burma is quite the reverse of what Burma ever wanted or desired.

There is one thing which I wish to make perfectly clear and it is this: I think there was some misapprehension on the part of certain Honourable Members this morning. We, Members from Burma, are not asking this House to debate the question of separation as such; we, Members from Burma, are not asking this House to decide whether Burma should or should not have separation. As a matter of fact, if any section of this House took up that attitude, I should consider it my duty to stand up and protest against it, because that is a question for Burmans and Burmans alone to decide whether they want separation or not, and if they want separation on what terms they want separation. But we have raised a general debate and we want to go a great deal further than raising a mere general debate; we, Members from Burma, are now inviting the House to record by its vote the acceptance of a definite formula consisting of three clear points. That is what we, representatives from Burma, are asking our Honourable friends in this House to do, to go into the division lobby one way or the other and to vote for the acceptance of this formula consisting of three points or against it and so make the position clear. I shall read out the three points of the formula to the House. The first point on which we want the vote of this House is this: that this House records its adherence to the principle that it is for Burmans to decide whether to separate from India or to remain part of the proposed Indian federation. I am sure I shall have the entire non-official section of the House with me on this point. I am afraid I must again refer to what Sir James Crerar said when dealing with this point. Sir James Crerar and Sir George Schuster said that Government will remain neutral. Why neutral? What objection can they have to this particular point? I am asking Sir James Crerar and Sir George Schuster and the Official Benches to agree to this proposition, that it is for Burmans and Burmans alone to decide whether they want to separate from India or not. What conceivable objection can there be to the Government of India being parties to this proposition of ours? It is amazing. Neutrality on what? It is a principle which is a fair one; it is a principle which no member of any government could have the slightest hesitation in accepting. In this connection I wish to make a particular appeal to my Honourable friends sitting on the European Benches, though I only see a few of them now. It would be a matter of very great gratification to us, Members from Burma, and a great solace to the people of Burma if we could carry with us in this division, the non-official European Benches. With a view to carry with us every non-

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official section of the House, U Kyaw Myint has carefully prepared this formula consisting of these three points. I am sure there can be no objection to my European friends endorsing every one of them. I shall emphasise the first point again. By voting with us you will be expressing your adherence to the principle that it is for Burmans and Burmans alone to decide whether they want to remain part of India or to separate. We are not asking you to vote for separation or against separation. The second point is this: that we want to express our concern at the manner in which the question of separation is being rushed through and treated as a settled issue without an adequate opportunity being given to Burmans to exercise their choice in the matter. I do not know whether my Honourable friend, Sir James Crerar, wishes to claim that he is a particularly callous man. If he did I would not believe him: I think he is a very kind-hearted man. (Laughter.) If he is a kind-hearted man, as I am sure he is, would he not have ordinary human sentiments? Would he not feel concern if this question of separation is being rushed through without Burmans being given any choice in the matter? I cannot imagine any man, unless he is totally callous to the most ordinary human instincts, to remain unconcerned at what is happening. I am not asking anybody to condemn anything. I think my Honourable friend, U Kyaw Myint, and myself have done enough of it. We are not asking the House to vote for every statement we have made in our speeches here. We are only asking the House to agree to this formula consisting of these three points. I am asking my European friends to vote with us in expressing concern at what is happening. I see that Mr. Arthur Moore has just re-entered the House. If you will give me a little indulgence, Sir, I might be permitted to repeat what I have just been saying. Mr. Arthur Moore and myself became greater friends in the last Assembly after we had a friendly breeze in the House on the Indian Cotton Tariff Bill; and I would very greatly value his vote with us in the division over this matter. We, representatives from Burma, would very much like to carry with us the European non-officials in this division and I wish to repeat my appeal to my Honourable friends on the European Benches. We, Members from Burma, are asking the House to vote with us on a formula consisting of three points: the first is that it is for Burmans and Burmans alone to decide whether they want to separate from India or remain part of it. I am sure my European colleagues could have no objection whatever to it. I am sure they do not claim that it is for the Government of India to dictate to Burma; I am sure they do not claim that it is for the Government of Burma to dictate to the people of Burma. It is for the Burmans themselves to decide. The second point is that we want this House to express its concern at the question of separation being rushed through without an adequate opportunity being afforded for the expression of Burmese opinion. My friend, Mr. Arthur Moore, is a journalist and naturally attaches very great value to free expression of public opinion; and I am certain that after he hears this debate we shall see very shortly leading articles in the *Statesman* voicing the grievances of the unfortunate people of Burma. (Laughter and cheers.) At the present moment my object is that he should let me convey to the people of Burma his concern as a gentleman of kindly feelings, as an Englishman of pro-Burman sentiments, his concern that anything should be done without the Burmans being consulted in a matter of life and death to political Burma.

And the third point, which is really the practical point of the formula, is this, that we want to urge upon the authorities—I do not know who is the ruling authority, whether it is the Government of Burma, it seems to me that it is the Government of Burma, or whether it is the Government of India or whether it is His Majesty's Government but whoever holds the greatest power in this matter—we want to urge on that power and on that authority to take immediate steps to test the real desire of Burma on the question of separation by a referendum to be held under the direct supervision of the Government of India with the aid of a non-official Committee representing every school of Burmese political thought and every shade of Burmese opinion. Now, I wish to draw the particular attention of the House to the use of the expressions "Burman" and "Burmese" used in our formula. I do not want the Government of India to find out what the Government of Burma wants, I do not want the Government of India to find out what the Europeans in Burma want, I do not want the Government of India to find out what the Indians in Burma want; but I do ask the Government of India to find out what the Burmans themselves want, what the Burmans themselves desire for their own country. The Government of Burma has been asserting that it has the people of Burma behind it on the question of separation. The political organizations in Burma known as the G. C. B. A., which represent real Burmese opinion, have been protesting against the separation of Burma. Is it not then the obvious duty of the Government of India as a fair minded Government to urge upon His Majesty's Government to hold a referendum to find out what the Burmans themselves desire? Now, Sir, when my friend, U Kyaw Myint, introduced his motion this morning, he urged that the referendum should be held under the direct supervision of the Government of India, because naturally he distrusts the Government of Burma. This morning he trusted the Government of India a little too much. (Laughter.) Anyhow, Sir, however disappointing my friend Sir James Crerar's attitude may have been, we, Members from Burma, still want to urge, that if a referendum is to be held, it must be held under the direct supervision of the Government of India, otherwise there is every chance, almost a certainty, of the whole thing being reduced to a farce by the unfair dominating tactics of the Government of Burma. That must be avoided at any cost.

Now, Sir, I am quite sure that my friends sitting on the European Benches could not possibly have the slightest objection to vote with us, Members from Burma, on these three points.

During the last three years I have refrained from taking any part in the separation controversy. But as a friend of Burma who has tried to serve Burma in the past and who aspires to serve her in the future, I can no longer remain silent. I consider it my duty to sound a note of warning to my Burmese brethren that Burma is on the brink of political destruction. I appeal to the Government of India to help Burma and to see that the Government of Burma does not succeed in closing the door of the Indian Federation in Burma's face regardless of Burma's desire or choice in the matter.

Now, Sir, before I sit down, may I make one appeal, possibly a futile appeal, to my Honourable friend Sir James Crerar? The appeal which I am going to make to him is not as an elected Member of this House to a Member sitting on the Government Benches. It is an appeal from one

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man to another. He is in charge of the Home Department. He is in charge of the preservation of law and order. It is he who has to scrutinise the applications received from the Government of Burma when they ask for extraordinary powers,—I appeal to him as man to man to look after the people of Burma and to scrutinise every such application with the greatest possible care. (Applause.)

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Sir, I first desire to dissociate myself from the remarks of the Honourable the Mover and the other Honourable Member from Burma with regard to the representative character of the Burma delegation to the Conference. I am not in a position to deny their representative character or to assert it, but I certainly desire to dissociate myself from certain of the remarks made. Now, Sir, my friend, Diwan Bahadur Mudaliar, has spoken at considerable length and has given this House a very clear and a very correct idea of what took place at the Conference, and if any Honourable Members want confirmation of the facts that he related, I would advise them to dip into this Blue Book, wherein will be found ample evidence of the correctness of my friend's statements. The first time the question of Burma came before the Conference was at the very first meeting of the Committee of the Conference as a whole, when U Ba Pe spoke on behalf of his country. I am not going to weary the House by quoting long passages from his speech. I will content myself by reading two very short extracts. I would ask the House to remember that U Ba Pe was the Leader of the Peoples' Party, and my friend, Mr. Munshi, has admitted that he was a true representative of the people of Burma. This is what he said:

"Burma has been suffering for various reasons. As is well known to the Indian people, we have nothing in common with them. Our race belongs to quite a different stock. We are more Mongolian than Aryan."

Further on, U Ba Pe says:

"I raised the question in the Burma Legislative Council,—the question being the separation of Burma,—by moving a motion to that effect which was carried unanimously, thus testifying that it was the unanimous wish of the people of Burma that Burma should be separated from India without any further delay."

Sir, there were only two British Indian delegates who took part in the discussion on that occasion, my friends, Mr. Chintamani and Raja Sher Mohammad; there were two Princes, the Maharaja of Alwar and the Maharaja of Bikaner. The position of the British Indian delegation on that occasion was exactly the position that all my friends here have taken up today, that is, that we as Indians have no desire to dictate to Burma whether they should separate or not. It is their affair, and having such a clear pronouncement from the Leader of the Peoples' Party, my friends from Burma will admit that we acted rightly and discreetly in not challenging that opinion. How could we? We were there at that time pleading for self-determination. We were there demanding before the British public our rights as citizens of our own country; we were there for a full measure of self-government. Who were we to deny to Burma the right to separate, if she so desired it. Well, Sir, on the strength of that speech, backed up by the Despatch of the Government of India, the Conference came to the conclusion that the first thing they should do was to agree to the separation of Burma. There were one or two British Indian delegates who raised the point immediately, whether the question of separation, was to remain open but in the usual way, the

Prime Minister ascertained generally the views of the whole Conference. There was some cheering, and so far as the proceedings of the Conference went at that stage, it was agreed that Burma could be separated. That was the ruling of the Prime Minister. Then, Sir, came the Committee. But before the Committee could sit, there were dozens of telegrams, all contesting the position taken up by U Ba Pe, but let it not be forgotten that there was not one single telegram that stated that under any circumstances Burmans were against separation. They wanted their own constitutional position clearly defined before they could agree to the separation. The British Indian representatives on the Committee took up that point very strongly and disagreed with that paragraph of the Report which desired His Majesty's Government to make an immediate announcement for the separation of Burma. The Report came before the Conference in Committee when a number—I have got all the names here, and anybody who wishes to know them may read this book—of British Indian delegates said that the decision was taken in a hurry, that the decision was taken without, let me clearly state, proper and adequate information, and therefore they desired not to be committed to the previous decision. My Honourable friend, Diwan Bahadur Ramaswami Mudaliar, has read out to you the concluding portion of the debate in which Mr. Jinnah, the late Maulana Muhammad Ali and others pointed out that they were not prepared to allow or to agree to His Majesty's Government making any announcement. That was the understanding when that debate was finished, and I am prepared to state that that was the understanding of every one of the British Indian delegation, and I think that will be confirmed by all the other delegates who happen to be Members of this Honourable House. Therefore, as far as we are concerned, it is an open question. (Mr. Jehangir K. Munshi: "Who are we"?) I mean the British Indian delegates, and I may add, even the princes,—as far as we are concerned, it is an open question. We take up, and I believe my Honourable friends will agree with me, we take up the same position that the delegates took up at the Conference at the second stage of the discussion. We are not here to dictate to Burma what they should decide; nor will we allow anybody else to dictate to Burma. It is not for the Englishmen in Burma to express an opinion; it is not for us to express an opinion. It is not for the Government of Burma or the Government of India to express an opinion. It is for the Burmans themselves, and how best to get an impartial verdict from the Burmans is a matter for further consideration. Whichever section of Burmese public opinion expresses a desire for separation, the allegation will be made that they are influenced. If they are not for separation, the allegation most probably will also be made that they are influenced. Let us not forget that. Therefore, how to get an impartial opinion and verdict of the Burmans is a question for further consideration. But as far as the delegates go, I say with some confidence that they did take up that position, and they will continue to take up that position,—that Burma shall not be dictated to. After the debate was over, I see that the Secretary of State, in answer to a question put by Major Graham Pole, in the House of Commons gave the following reply:

"Mr. Bann said that in connection with the Government's decision to proceed with the separation of Burma as announced by Mr. MacDonald yesterday, they wished it to be understood that the prospects of constitutional advance held out to Burma as part of British India would not be prejudiced, and the constitutional objective after the

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separation would remain progressive realisation of responsible government in Burma as an integral part of the Empire. In pursuance of this decision, they intended to take such steps towards the framing, in consultation with the Burmese opinion, of a new constitution as might be found most convenient and expeditious, their object being that the new constitution for India and Burma should come into force as nearly as possible simultaneously."

I definitely state that to my knowledge the whole Conference are not committed to this reply.

Now, Sir, I do not desire to prolong this debate. I will only state one thing, and that is, that we are not here to place before the Burmans the advantages of remaining with India, that is not our business today. We have no desire now or at any other time to place arguments before the Burmans. Finally, I think the most refreshing part of my Honourable friend's speech was when he admitted that the treatment meted out to Burma during its connection with this country cannot be characterised as callous. I have heard the allegation on more than one occasion, that this House and the Government of India were tempted to treat Burma as a step-child and that their treatment was callous. This admission on the part of a clever young Burman who represents Burma in this House, that he does not characterise the treatment meted out to his country up to now as callous is, I think, a certificate for both the Government and the Opposition. In conclusion, while congratulating him, I trust that the heavy hand of Government will not fall upon him for having made a fluent and clever maiden speech. (Applause.)

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): My Honourable friends who adorned the Round Table Conference have assured this House that the question of separation of Burma is still an open question. (*Diwan Bahadur A. Ramaswami Mudaliar*: "So far as they are concerned.") I would ask the Honourable Members of this House to read this passage from the Prime Minister's statement on the last day of the Conference, page 77.

"As to the Sub-Committee on Burma, its findings have been noted, and the Government will pursue the decisions of that Sub-Committee separating Burma and making the necessary inquiries as to the conditions upon which the separation is to take place."

I drew the attention of one of the delegates to the Round Table Conference to this concluding speech of the Prime Minister, and I was told that the Mover of the Resolution had not referred to it, and that, at any rate, it was not a part of the declaration of His Majesty's Government read out to the Round Table Conference. Sir, the reason why Burma does not find a place in the declaration of His Majesty's Government read out to the Round Table Conference is that Burma was no longer to be a part of India. That is the reason why in the declaration on the future policy of His Majesty's Government regarding the constitution of India, no reference is made to Burma. The inference is not to be therefore that Burma was to remain a part of India, but that following the decision of the Round Table Conference, the Premier declared the separation of Burma as a settled fact. My Honourable friends have not only pledged their own words but the words of all members of the Round Table Conference to the view that the question of separation is still an open question. I wish it were an open question, but in view of the very clear, categorical and unequivocal statement made by the Prime Minister, and in view of the very declaration

made by His Majesty's Government, is there any room for doubt that so far as the Round Table Conference is concerned and His Majesty's Government is concerned, the question of separation is no longer an open question? Having said this, I am sorry that when the Prime Minister made this statement, my friends, Sir Cowasji Jehangir and Diwan Bahadur Ramaswami Mudaliar, did not immediately get up and say that this was not the decision of the Round Table Conference. Read the speech of Mr. Jinnah and read the interrogations of the various members of the Round Table Conference.

Sir Cowasji Jehangir: I would draw the Honourable Member's attention to page 356 of the big book where the Chairman, the Prime Minister, has made a statement only two days before the other statement.

Sir Hari Singh Gour: If even the Prime Minister had made a statement two days before holding that the question of separation of Burma was an open question and two days later made a categorical statement that the question of separation was decided by the Round Table Conference, was it not the duty of the Honourable Members to protest immediately that that was not the decision of the Round Table Conference.

Sir Cowasji Jehangir: The Honourable Member must understand that the Prime Minister's statement he is quoting was the last statement made at the Conference, after which the Conference ended, while the statement I referred to was made during the discussion when every member had an opportunity of pointing out to the Prime Minister that he did not agree to allowing this question to be an open question.

Sir Hari Singh Gour: I am afraid my Honourable friend is only making his case worse by his interjections. If the Prime Minister made a statement which was not in accord with the decisions of the Round Table Conference and if it was the last day when the statement was made, was it not open to the Honourable Members to write to the Prime Minister, pointing out that that was not a correct statement so far as the decisions of the Round Table Conference were concerned. Did they do it? I say they did not.

Diwan Bahadur A. Ramaswami Mudaliar: If my friend is taking us to task, I did not brief Sir Hari Singh Gour as to the course of action that we should pursue.

Sir Hari Singh Gour: If they had done me the honour of briefing me, they would not have fallen into that mistake. (Applause.) Let this House clearly remember that it is not a matter which this House has to decide today. Let this House clearly remember that the decision of His Majesty's Government at the present moment is that Burma shall be separated from India. It is perfectly open to this House to ask His Majesty's Government to reconsider that question, if there is a motion to that effect, it is perfectly open to my Honourable friends, belated though they are, to inform His Majesty's Government, through this House, that they were misled because they did not exactly realise the implications of the Prime Minister's speech. Better late than never. I think my Honourable friends, the distinguished delegates to the Round Table Conference, are trying to make amends for their shortcomings on that occasion when the speech by the Prime Minister of England was delivered and when, according to them, the interests of Burma were seriously jeopardised by their own silence.

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Now, Sir, having said that, we now come to the main question. The main question is this. His Majesty's Government have decided
 4 P.M. that Burma shall be separated and what is more—see the last sentence—“and making the necessary enquiries as to the conditions upon which the separation is to take place”. The Honourable Mr. Munshi asked the Honourable the Home Member whether he was prepared to deny categorically that communications have been passing between Whitehall and India regarding the separation of Burma. Sir, he would not have put to the Honourable the Home Member that question if he had carefully read the speech of the Prime Minister of England—that steps would be immediately taken to determine the conditions subject to which Burma shall be separated from India. That may therefore be one question upon which this House is entitled to be heard. I do not for a moment deny that the Honourable the Mover of this motion and the other Honourable gentlemen who have supported him are equally entitled to ask His Majesty's Government to revise their decision, but let them not forget that they are asking for the revision of a decision and not for the decision of an open question.

Sir Cowasji Jehangir: Question.

Sir Hari Singh Gour: You should have said that in the Round Table Conference, not here. Now, Sir, if we turn to the next point, I think through a sheer piece of sentimentalism Honourable Members on both sides of the House seem to be fascinated with that much abused word “self-determination” and Honourable Members stand up here and say “We must give Burma the same right of self-determination which we, Indians, want in our own country”. Sir, if Honourable Members had gone to Burma and if they had made the careful inquiries, which the members of the Simon Commission made there, they would have found there that the opinion in Burma was hopelessly divided upon the question of separation. There was in the first place the Indian feeling which was solidly against separation. There was a bulk of Burmese opinion—such opinion as was given expression to in the evidence before the Simon Commission—which was equally firm in favour of separation. There was the opinion of the British mercantile community. I must inform this House that at the time when this inquiry was proceeding their chief organ *the Rangoon Gazette* wrote strongly against separation. When their representatives came before us and gave evidence, they showed very clearly that they were not quite decided whether they should ask for separation or be against it and it must be said to the credit of the British merchants in Rangoon that they were not then asking for separation because it would serve the interests of the British mercantile community. What they said was, that there was an opinion in that country in favour of separation. There was also an opinion equally strong, perhaps not equally open, against separation. So far as they were concerned, they would not mind if there was separation and they would not mind if there was no separation. That was the opinion of the British merchants at that time. I quite admit that some of the Government members were in favour of separation, and the Burmese witnesses who appeared were also in favour of separation. When they were asked for their reasons for wanting separation, they said that they had three reasons for asking for separation and those three reasons were supported by men in high offices. One of them was that the Indian money-lender, the *chettiar*, goes to Rangoon in very large numbers and charges a very

high rate of interest. The second was that half a million Indian coolies migrate to Burma to take part in the cutting of the paddy and to do other menial labour, and they take away a very large amount of wealth from Burma. The third reason, and a very strong reason which the Government have publicly expressed, is the fact that Burma was not fairly treated by the Government of India, that a very large portion of the revenues of the Government of India was hypothecated for military purposes, and that if Burma was separated from India, Burma stood to gain and not to lose anything by that separation. Those were the reasons given in Burma in favour of separation; but there was an equally strong view expressed against separation. It was said that the defence of Burma was the defence of India, and consequently, with this separation of Burma you would not be able to economise on military expenditure. The second question was, as the Burmese put it: “We people have not got iron and we have not got coal and you have got a protective policy and you are putting protective duties upon iron and steel and other economic products of the country. Burma is suffering for it, and consequently we are made to pay for the pioneering of Indian industries in which Burma has not got a hand.” That was the sort of objection raised by the Burmese leaders of opinion. We said, “Look at your rice. Rice would have to go down the depths of the Irrawaddy if India did not buy it. Burma is a fertile country, with only about 14 million population. It requires to be developed, and therefore India is the only nearest country to offer you facilities for internal development”. Those were the questions. I am not in a position at the present moment to say that these are not weighty questions. Put all the reasons for separation, put all the reasons against separation, and what will be your verdict? I venture to submit that half of you will say, “We are for separation”, and the other half will say, “No separation”. I can quite understand, Sir, the reasons for which, after months of inquiry, we came to the conclusion that there should be no separation. But I can equally understand deciding the question either for separation or for no separation after half an hour's somnolent discussion. (Laughter.) That is the position which the Honourable Members are taking. We devoted months of inquiry to it, (Loud Applause), and we came to the conclusion that, on the whole, it would not be in the economic and political and social interests of the country that Burma should be immediately separated from India; and that of course is a question which this House has got to consider, whether,—whether with the constitution of a Federal Government in this country,—the Burmans would still insist upon their separation from India or would rather revise their opinion. Those are not the questions with which we are directly concerned at the present moment; not indeed is his the proper form where they can be profitably debated on this motion, and I am quite sure, Sir, that if these were the only questions, then the Honourable the Mover of the Resolution would not have troubled this House, but what is passing through his mind is this. He says, “It does not matter whether we are in favour of separation or against separation; what we want is the right to a free expression of our opinion, and we do not want to be gagged”. That, I submit, is a fundamental right of every human being, and it is for that reason that he wants the concurrence and support of this House; so that the Honourable the Home Member might use his good offices to see that all the harassing pieces of legislation and ordinances and restrictive provisions are so modified or removed that there is not that embargo on the free expression of opinion of which the Honourable the Mover of the Resolution complains; and I think if we confine

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ourselves to supporting his on this ground, we shall certainly stand upon stronger ground than if we digressed into a general discussion whether Burma should or should not be separated.

Sir, some of my Honourable friends said that the Government of India would be guilty of a gross dereliction of duty if they did not tell the people of Burma, "If you want separation, we are for separation". I say, Sir, that the Government of India would be guilty of a gross dereliction of duty if they abandoned the interests of the people of India, who have settled down in Burma, of people who have pioneered and advanced the interests of Burma, and if they were to say to the people of Burma, "Never mind about the people of India, never mind about those commercial interests which have developed and added to the welfare of Burma. If you want separation, we are for separation". I would say, Sir, that I should be very sorry if the Government of India ever took that attitude. If responsibility in the Government exists, it extends equally to the people of India as to the people of Burma, and they have to consider whether the separation of Burma would be conducive to the interests both of India as well as of Burma. A very large amount of debt is due from Burma; that question was raised, and I am quite sure that when the question of.

Mr. Jehangir K. Munshi: I rise to a point of order, Sir. The motion has made it clear that the Honourable the Mover does not invite this House to go into the merits—the pros and cons—of the question of separation.

Sir Hari Singh Gour: I do not see any point in the Honourable Member's point of order. All that I beg to say now is that the question of separation cannot be divorced from other considerations, financial and others, which we cannot go into today, and the question that strikes me as pertinent is that if this House is of opinion that the Government of India should permit a free expression of opinion on the question of separation, we should unitedly support the Honourable the Mover of the Resolution, and I venture to submit that that is all the purpose he has in his mind. We are not here committed either to or against separation: that is far too complicated a question, and we cannot possibly here say at once that His Majesty's Government are wrong in ignoring the protests that were made, in declaring for separation. I submit, Sir, that we should confine ourselves to that narrow issue,—that we support the Honourable the Mover of this Resolution and ask the good offices of the Home Member and of the Government of India to permit the free expression of opinion on the question of the separation of Burma from India. (Applause.)

Mr. Arthur Moore (Bengal: European): Sir, I entirely agree with my friend, Mr. Jehangir Munshi, and with my friend, Sir Cowasji Jehangir, that this is purely a question for Burmans to decide. (Hear, hear.) Mr. Munshi made an appeal to us to go into the division lobby with him. Well, Sir, at quarter past four I am quite sure my friend, Sir Hugh Cocke, has no intention of dividing the House on the questions as to whether we should resume the debate on the Finance Bill today, and I doubt very much if the Government have either and therefore I hardly think the question of division is likely to arise. (Some Honourable Members: "No Division.") My friend, Mr. Munshi, has asked me to state my opinion. Well, I would like to say that the one thing that appears certain to me—and I do profess to be impartial upon this point because I do not know whether Burma ought to be separated or not, and I have no definite opinion—the one moral that

seems to me to stick out of a mile is the futile results of "non-co-operation". (Hear, hear.) Here you have had the Simon Commission, with the Indian Committee—as my friend, Sir Hari Singh Gour, has explained—spending months in the country going into this question in the greatest detail. Everybody knew that the issue was coming up once for all and yet as I understand, the General Council of Burmese Associations boycotted in the first instance that Commission, and in the second instance the Legislative Council. The result was that the Legislative Council, which is the representative organ of Burmese opinion in Burma, passed a unanimous Resolution in favour of separation. Then the third stage: you had the Round Table Conference in London where the issue was coming up for final settlement. Again the General Council of Burmese Associations boycotted the whole show, and yet they now say, "We are gagged, we are helpless", and they send frantic telegrams after the battle is lost! Now, Sir, what sense is there in that? What sense is there in telling us that they have had no opportunity of expressing an opinion? Why, they have had years in which to express an opinion? The whole argument has been slowly working up to the final stages, and they refuse to have anything to do with it till they are suddenly brought up against the facts.

An Honourable Member: What about the Congress?

Mr. Arthur Moore: Where this advice to boycott at various stages came from I do not know. I do not know whether it came from India or whether it originated in Burma. My friend over there is suggesting that the advice originated in India. But I am quite sure that the final lesson is that this advice was bad. We here, at any rate, have no desire to see the question rushed. The Burmese have got to make it clear whether they want separation or whether they do not, but I would ask this House to remember this very important fact that, whereas from Burma we hear only the voice of separation, the Burmese representatives appear to be against separation. Does not that suggest to us that Burma has already so completely lost interest in this Assembly and in its connection with India that it has not even troubled to send representatives here to voice the view of separation.

Mr. Jehangir K. Munshi: Mr. President, I must rise on a point of accuracy. Myself as well as my two friends, Mr. Tun Aung and U Kyaw Myint, were supported amongst other Parties by the Peoples' Party, which has been for separation.

Mr. Arthur Moore: I know that U Ba Pe represented the Peoples' Party in London and he was very definite for separation. Anyhow, I would appeal that in the later stages of this question, if there are going to be any later stages, we should hear no more of non-co-operation.

Mr. A. H. Ghuznavi (Dacca cum Mymensingh: Muhammadan Rural): Mr. President, at this late hour I have no intention of boring the House with a long speech. My only excuse for getting up to speak this afternoon is that I was fortunately or unfortunately a member of the Burma Sub-Committee. The Burmans till the 10th of December said nothing to us when we were attending the Round Table Conference. The first intimation that we got in London was on the 10th of December. The Burmans knew that the Simon Commission had reported that Burma should be separated. They also knew that the Round Table Conference was to

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assemble in London in November and the members were all nominated. Not a word was said to the members that the majority of the Burmans was opposed to separation. Nothing was said to the members or to anybody else. The first telegram that we received was on the 10th of December. All the same I must assure my Honourable friend who represents Burma in this House that we, as delegates, did our level best to protect their interest. Sir, it was on the 1st December that the Committee of the whole Conference assembled in the afternoon. As far as I remember, the question of Burma was not on the agenda paper of that day. After finishing all other matters that were on the agenda paper, the Chairman, the Prime Minister, said that as the question of Burma was very important, he would ask the Burmese delegates to state their case. I must say we were all taken by surprise. None of us went there with our considered opinion to make a speech as to whether we wanted the separation of Burma or not. I asked several of my brother delegates and they too said that they were not prepared for that particular subject on that day. After the speech of the Burmese delegate, Mr. Chintamani got up and opposed the separation. Thereafter, I think it was after about 20 minutes, that the Prime Minister gave his verdict that the House had agreed to the separation of Burma. I think my Honourable friend, Sir Hari Singh Gour, was right when he said that this question of separation of Burma was no longer open. Mr. Shiva Rao raised this question the very same day and on page 186 of the Indian Round Table Conference Report this is what we find:

"Mr. Shiva Rao : Is the question of separation an open one, or . . .

Chairman : No; as I look at it, it is not open.

Mr. Chintamani : It should be open not only to consider the method of separation but whether there should be separation.

Chairman : I have only got eyes and ears for what the Conference says, and I take it that there is an overwhelming opinion in favour of the suggestion made. (Applause.) You see, the applause is all along the line."

Well, Sir, on the 5th of December, the Sub-Committee sat for the first time on the question of the separation of Burma. My Honourable friend, Mr. Mody, who is not in the House just now, protested against this separation and he wanted to know from the Chairman, the late Earl Russell, whether he could again raise the question in the committee whether Burma should be separated or not. The Chairman ruled him out saying that it did not come within the scope of the Sub-Committee, but he said that he had noted his objection. The note in the proceedings is that he protested, that he wanted the question of separation to be re-opened at the Plenary Session. Thereafter, Sir, not a single day was given to us to re-open that question in the Plenary Session. We were expecting it from day to day, but not a single opportunity was given to us. The last day of the Conference was the 19th January and as my Honourable friend, Sir Cowasji Jehangir said, we had no opportunity of making a statement in this connection at all. Immediately after the speech of the Prime Minister, the Conference was closed. But throughout, the delegates, whenever they had an opportunity, made it clear that if the Burmans did not desire to be separated from India, it was for the Burmans to decide that and not for anyone of us or the Government. With these observations, Sir, I conclude my speech.

Mr. B. R. Puri (West Punjab : Non-Muhammadan) : Sir, whether Burma is separated ultimately or remains part of British India, is a separate matter, but one thing is quite clear, that the Government of India have come out very badly in this picture. The question of the separation of Burma has been before the public for a fairly long time, and if during all this period the Government of India have not been able to make up their minds as to the course they propose to adopt and the attitude they want to maintain in this connection, I think it is a cause for very great regret. I submit, Sir, that the question of separation can be looked at from more than one point of view. The first is that so far as the relation of Burma with India goes, we have all along been comrades during a period of adversity. We have made common sacrifices and we have stood together, and now that we do see that we are on the eve of getting some constitutional reforms, it would be highly unsportsmanlike for us to suggest even for a moment that Burma should be separated. In all fairness to Burma, I think it is their right and privilege to say and it is up to us to concede that now, when the time for some kind of a reward is coming, you should be with us to share it; we should not appropriate the whole of it to ourselves. That is one way of looking at it. The other way and the other view is that if Burma is separated, would she be able to fulfil all the qualifications which a self-governing country must possess? Would Burma be able to defend herself? Would Burma be financially as sound as it would be, if it was part and parcel of this vast country? I submit that even from the Burmans' own point of view, having regard to this aspect of the question, it would be suicidal, so far as the interests of Burmans go, to claim separation from India. The attitude of the Government of India and the Imperial Government towards this question of separation seems to me to be in favour of Burma being separated from India. Various arguments have been put forward and this separation seems to me as if it is being inflicted and imposed upon Burmans whether they wish it or not. It has been suggested and it has been actually put into the heads of Burmans, that their culture, their modes of living, their customs and traditions are all different and so on, that geographically they are situated at a distance, that there is great disparity between the two races, the one dwelling in the Continent of India, and the other separated from it and so on. May I respectfully ask whether this geographical situation has now been created or whether it existed all along; whether these arguments have now for the first time dawned upon those who are in favour of separation? These arguments have existed all along; the disparity in customs, in traditions, culture and modes of living has all along been there. Why have the Government suddenly awakened to this question of Burma being separated on these grounds for the first time? Why so much solicitude, on the part of the Imperial Government, towards the interests of Burma, which they are advocating by seeking its separation from India? I submit, the Government know that if Burma remains part of India, she would naturally share in the constitutional reforms which are conceded to India. But if Burma was separated, then the case of Burma shall have to be treated quite differently. This separation is being inflicted upon Burmans, I submit, with all the resources that are available to a Government. This is a very serious grievance, which has been ventilated by Honourable Members who represent that country; they complain that this separation is being forced upon them, reinforced by all the legislative measures, repressive in character. Attempt has been made to

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Chairman : I have only got eyes and ears for what the Conference says, and I take it that there is an overwhelming opinion in favour of the suggestion made. (Applause.) You see, the applause is all along the line."

Well, Sir, on the 5th of December, the Sub-Committee sat for the first time on the question of the separation of Burma. My Honourable friend, Mr. Mody, who is not in the House just now, protested against this separation and he wanted to know from the Chairman, the late Earl Russell, whether he could again raise the question in the committee whether Burma should be separated or not. The Chairman ruled him out saying that it did not come within the scope of the Sub-Committee, but he said that he had noted his objection. The note in the proceedings is that he protested, that he wanted the question of separation to be re-opened at the Plenary Session. Thereafter, Sir, not a single day was given to us to re-open that question in the Plenary Session. We were expecting it from day to day, but not a single opportunity was given to us. The last day of the Conference was the 19th January and as my Honourable friend, Sir Cowasji Jehangir said, we had no opportunity of making a statement in this connection at all. Immediately after the speech of the Prime Minister, the Conference was closed. But throughout, the delegates, whenever they had an opportunity, made it clear that if the Burmans did not desire to be separated from India, it was for the Burmans to decide that and not for anyone of us or the Government. With these observations, Sir, I conclude my speech.

Mr. B. R. Puri (West Punjab : Non-Muhammadan) : Sir, whether Burma is separated ultimately or remains part of British India, is a separate matter, but one thing is quite clear, that the Government of India have come out very badly in this picture. The question of the separation of Burma has been before the public for a fairly long time, and if during all this period the Government of India have not been able to make up their minds as to the course they propose to adopt and the attitude they want to maintain in this connection, I think it is a cause for very great regret. I submit, Sir, that the question of separation can be looked at from more than one point of view. The first is that so far as the relation of Burma with India goes, we have all along been comrades during a period of adversity. We have made common sacrifices and we have stood together, and now that we do see that we are on the eve of getting some constitutional reforms, it would be highly unsportsmanlike for us to suggest even for a moment that Burma should be separated. In all fairness to Burma, I think it is their right and privilege to say and it is up to us to concede that now, when the time for some kind of a reward is coming, you should be with us to share it; we should not appropriate the whole of it to ourselves. That is one way of looking at it. The other way and the other view is that if Burma is separated, would she be able to fulfil all the qualifications which a self-governing country must possess? Would Burma be able to defend herself? Would Burma be financially as sound as it would be, if it was part and parcel of this vast country? I submit that even from the Burmans' own point of view, having regard to this aspect of the question, it would be suicidal, so far as the interests of Burmans go, to claim separation from India. The attitude of the Government of India and the Imperial Government towards this question of separation seems to me to be in favour of Burma being separated from India. Various arguments have been put forward and this separation seems to me as if it is being inflicted and imposed upon Burmans whether they wish it or not. It has been suggested and it has been actually put into the heads of Burmans, that their culture, their modes of living, their customs and traditions are all different and so on, that geographically they are situated at a distance, that there is great disparity between the two races, the one dwelling in the Continent of India, and the other separated from it and so on. May I respectfully ask whether this geographical situation has now been created or whether it existed all along; whether these arguments have now for the first time dawned upon those who are in favour of separation? These arguments have existed all along; the disparity in customs, in traditions, culture and modes of living has all along been there. Why have the Government suddenly awakened to this question of Burma being separated on these grounds for the first time? Why so much solicitude, on the part of the Imperial Government, towards the interests of Burma, which they are advocating by seeking its separation from India? I submit, the Government know that if Burma remains part of India, she would naturally share in the constitutional reforms which are conceded to India. But if Burma was separated, then the case of Burma shall have to be treated quite differently. This separation is being inflicted upon Burmans, I submit, with all the resources that are available to a Government. This is a very serious grievance, which has been ventilated by Honourable Members who represent that country; they complain that this separation is being forced upon them, reinforced by all the legislative measures, repressive in character. Attempt has been made to

[Mr. B. R. Puri.]

introduce for the first time in that country the Criminal Law Amendment Act which has been thrown out more than once by the local Legislative Council. Recently we have seen an Ordinance which has come out, Ordinance No. 111 of 1931, which His Excellency the Governor General promulgated only the other day. I wish to say one word in connection with that Ordinance. Some time ago, just one month before this House met on the 14th January, 1931, some time in the month of December, two Ordinances were promulgated by His Excellency the Viceroy. Those Ordinances were issued at a time when the Legislative Assembly was not in session, and His Excellency the Viceroy made this perfectly clear in his speech which he delivered to this House. This is what he said:

"A little less than a month ago, I felt it my duty to have recourse again to the special powers, which I took last year for the better control of the Press and of unauthorised news-sheets and newspapers, and for dealing with persons who may instigate others to refuse the fulfilment of certain lawful obligations. In doing so, I expressed my regret that the urgent nature of the emergency, which necessitated the promulgation of these Ordinances, had not allowed me to await the meeting of the Central Legislature, but I indicated the intention of my Government to bring these matters before this House at the earliest opportunity."

Now, Sir, I submit that it is a great insult to this House, when this Legislative Assembly is actually in session that His Excellency the Viceroy should not have thought it fit to call upon this body to express its own views whether an Ordinance under the circumstances was really called for or not. The argument, if it is a correct argument, led us to the conclusion that His Excellency the Viceroy at that time was forced to promulgate two Ordinances on his own responsibility simply because the Legislative Assembly was not then in session. I say, Sir, that it is hardly fair to this House that an Ordinance of a repressive character, which denies to the people of that country the ordinary procedure and the ordinary privileges to an accused person in a criminal trial under normal conditions, that such a measure should have been promulgated without this House being consulted is a matter of great regret.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): I rise to a point of order. Can the conduct of the Governor General be questioned in this way?

Mr. President: The Standing Order is quite clear on the subject.

Mr. R. K. Shanmukham Chetty: I move that the question be now put.

Mr. President: The question is:

"That the consideration of the Bill be postponed for one day."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 17th March, 1931.

LEGISLATIVE ASSEMBLY.

Tuesday, 17th March, 1931.

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

MEMBER SWORN:

Mr. Rama Shankar Bajpai, O.B.E., M.L.A. (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

EXAMINATION FOR PROMOTION OF POSTAL OFFICIALS.

977. ***Mr. S. C. Mitra:** (a) Is it a fact that Government introduced an examination in the Postal Department for promotion of officials on a time-scale of pay to the lowest selection grade?

(b) Is it a fact that the Director General, Posts and Telegraphs, issued a special general circular, No. 22, dated the 16th October, 1929, containing the rules for the examination?

(c) Is it a fact that the Director General, Posts and Telegraphs, notified in that Circular that all lowest selection grade appointments—temporary, officiating and permanent—would be filled up only by passed officials?

(d) Is it a fact that the Postmaster General, Bengal and Assam Circle, permitted certain unsuccessful candidates to continue to act in the lowest selection grade appointments despite the Director General's distinct circular?

(e) If so, will Government please say whether the Director General, Posts and Telegraphs, withdrew his special general circular No. 22 and issued some other circular in which he directed the Circle officers to extend certain concessions to the unsuccessful candidates?

(f) If so, will Government please quote the number and date of such circular?

(g) Do Government propose to issue immediate orders rescinding the orders of the Postmaster General, Bengal and Assam Circle, and direct him to fill up all lowest selection grade appointments only by passed officials as decided by the Director General, Posts and Telegraphs?

(h) If not, why not?

(i) Is it a fact that, in supersession of the rules contained in the Director General's special general circular No. 22, dated the 16th October, 1929, the Director General issued another special general circular No. 16, dated the 18th August, 1930, in which revised rules governing the examination for promotion to the lowest selection grade were published?

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(j) Is it a fact that the Director General notified through this special general circular also that promotion to any of the appointments in the lowest selection grade—officiating, temporary and permanent—will be made only from officials who have passed the lowest selection grade examination?

(k) Is it not a fact that the Postmaster General, Bengal and Assam Circle, promoted Messrs. J. Kelly and Abdul Rahman, two unsuccessful candidates, to the lowest selection grade appointments in the Calcutta General Post Office in the month of November, 1930, i.e., even after the Director General's special general circular No. 16, dated the 18th August, 1930, was published and in contravention of the instructions of the Director General contained in that special general circular?

(l) Are Government prepared to issue orders for the reversion of the unsuccessful candidates and for filling up the lowest selection grade appointments by two senior passed officials?

Mr. J. A. Shillidy: (a), (b) and (c). Yes.

(d) to (h). The facts are not exactly as stated by the Honourable Member. The general rule is as stated by him, viz., that appointments to the lowest selection grade will be made only from those officials who have passed the lowest selection grade examination, but as this examination has been recently introduced and as some of the senior officials who failed to pass the first examination had already worked in the selection grade satisfactorily for a fairly long time, the Director-General decided, with the approval of Government, to treat the cases of such officials with special consideration. General orders on this subject were issued by the Director-General in his letter No. S. A.-250 (8), dated the 21st February, 1930, to the address of all Heads of Circles, along with the publication of the results of the first examination and subsequently he passed orders on the merits of each individual case. It was in accordance with those orders that the Postmaster-General, Bengal and Assam Circle, allowed certain unsuccessful candidates to continue to act in the lowest selection grade. Government are not prepared to rescind those orders.

(i) and (j). Yes.

(k) and (l). Government understand that Messrs. J. Kelly and Abdul Rahman were eligible for confirmation in the lowest selection grade in due course in accordance with the orders of the Director-General referred to in the answer to parts (d) to (h). Government do not intend to revise those orders.

PROMOTION OF CERTAIN POSTAL OFFICIALS.

978. ***Mr. S. C. Mitra:** (a) Is it a fact that the then Deputy Postmaster General, Railway Mail Service, Eastern Circle, nominated Messrs. Suresh Chandra Chakravarty, Phanindranath Sandal and Girija Bhusan Banerji of the now defunct Calcutta Railway Mail Service and permitted them to sit for the examination for recruitment of Inspectors to the Railway-Mail Service?

(b) Is it not a fact that the Director General, Posts and Telegraphs, decided that these officials after passing the examination would be eligible for promotion as Inspectors of Railway Mail Service, for which they were nominated?

(c) Is it a fact that the Postmaster General, Bengal and Assam, promoted Messrs. Phanindranath Sandal and Suresh Chandra Chakravarty, two junior officials on time-scale of pay in the Calcutta General Post Office who passed the examination for promotion to the grade of Inspectors of Railway Mail Service, to the lowest selection grade appointments of Supervisors, superseding the claims of all senior selection grade passed officials?

(d) Are Government prepared to issue orders for their transfer to the Railway Mail Service as Inspectors for which they were recruited and for filling up the selection grade appointments of Supervisors in the Calcutta General Post Office by two senior selection grade passed officials?

Mr. J. A. Shillidy: (a) to (d). Government have no information and they do not propose to call for it, as any officer feeling himself aggrieved by any particular appointment may use such remedies as are open to him by way of appeal.

RULES FOR PROMOTION OF POSTAL OFFICIALS.

979. ***Mr. S. C. Mitra:** (a) Is it a fact that Government abolished the examination for recruitment of Inspectors of Post Offices and Head Clerks to the Divisional Superintendents of Post Offices with the introduction of the lowest selection grade examination and decided that all selection grade appointments including those of Inspector of Post Offices and Head Clerks to the Divisional Superintendents of Post Offices would be filled up by selection grade passed officials?

(b) Is it a fact that the Director General, Posts and Telegraphs, issued special general circular No. 16, dated the 18th August, 1930, in supersession of his previous special general circular No. 22, dated the 16th October, 1929, in which revised rules governing the examination for promotion to the lowest selection grade were published?

(c) Is it a fact that the Director General, Posts and Telegraphs, permitted recruitment of 25 per cent. junior officials to appear at the second lowest selection grade examination and decided that these junior officials would be eligible for promotion against a fifth vacancy in the lowest selection grade—officiating, temporary or permanent—in their own cadres?

(d) Are Government aware that the lowest selection grade is confined to the presidency towns, viz., Calcutta, Bombay, Madras and Rangoon? If so, will Government please say whether junior officials recruited in these presidency towns are also eligible for promotion against a fifth vacancy in the lowest selection grade? If the reply be in the affirmative, are Government aware that these junior officials will supersede the senior selection grade passed officials?

(e) Have Government considered the advisability of issuing clear instructions to the Circle officers, so that the interests of these qualified senior officials are duly protected?

Mr. J. A. Shillidy: (a) The fact is substantially as stated by the Honourable Member.

(b) and (c). Yes.

(j) Is it a fact that the Director General notified through this special general circular also that promotion to any of the appointments in the lowest selection grade—officiating, temporary and permanent—will be made only from officials who have passed the lowest selection grade examination?

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(e) Have Government considered the advisability of issuing clear instructions to the Circle officers, so that the interests of these qualified senior officials are duly protected?

Mr. J. A. Shillidy: (a) The fact is substantially as stated by the Honourable Member.

(b) and (c). Yes.

(d) Promotion to the lowest selection grade posts in the Presidency towns of Calcutta, Bombay and Madras and Rangoon is confined to the officials of those offices. The reply to the other parts of the question is in the affirmative, but Government do not admit that the senior passed officials have any special claims to hold all selection grade posts.

(e) No, in view of the concluding clause of the reply to (d) above, and because Government approve of the policy of giving accelerated promotion to a limited number of specially qualified and deserving junior officials to selection posts.

RECRUITMENT OF POSTAL OFFICIALS.

980. ***Mr. S. C. Mitra:** (a) Is it a fact that the second selection grade examination was held in December 1930 under the orders of the Director General, Posts and Telegraphs, with a view to recruiting some officials for promotion to the lowest selection grade?

(b) Is it a fact that there are 87 selection grade passed officials in the Calcutta General Post Office still unprovided for?

(c) Is there any likelihood of these officials being provided with selection grade appointments in the year 1931?

(d) If not, will Government please state reasons for holding the second examination for the purpose of recruitment of some more officials for promotion to the lowest selection grade?

Mr. H. A. Sams: (a) Yes.

(b) Government understand that the fact is substantially as stated by the Honourable Member.

(c) Possibly not.

(d) The reasons are stated in my Circular No. 17, dated the 18th August, 1930, a copy of which I am sending to the Honourable Member for his information.

ADDITIONAL POSTAL STAFF RECOMMENDED BY THE PRESIDENCY POSTMASTER, CALCUTTA.

981. ***Mr. S. C. Mitra:** (a) Is it a fact that Government accepted the time-test prepared by Mr. Bewoor for determining the staff of a Post Office?

(b) If so, will Government please state whether they have issued orders for the sanction of the staff justified by the "Bewoor time-test"?

(c) Is it a fact that the Presidency Postmaster, Calcutta, submitted to the Postmaster General, Bengal and Assam, several proposals for entertainment of additional staff, both supervisory and operative, justified by the "Bewoor time-test"?

(d) If so, will Government please state whether the Postmaster General, Bengal and Assam, has accorded sanction?

(e) If not, when is it expected?

Mr. J. A. Shillidy: (a) Yes.

(b) Orders have been issued to the effect that, when the requisite statistics have been compiled and the circumstances of individual offices examined as indicated in the Report, steps should be taken to effect appropriate revisions of staff where this has been shown to be necessary, prior attention being given to those offices in which the shortage of staff is most obvious. But no such revision will be possible while the present financial stringency continues.

(c), (d) and (e). Government have no information, but presume that the Postmaster-General is taking action in accordance with the orders issued.

UTILISATION OF SERVICES OF RESERVE CLERKS IN THE CALCUTTA GENERAL POST OFFICE.

982. ***Mr. S. C. Mitra:** (a) Is it a fact that the reserve clerks were entertained in the Postal Department to act only in the leave vacancies of clerks?

(b) Are Government aware that the reserve clerks of the Calcutta General Post Office were directed to act as auxiliaries in the Parcel, Registration and Letter Sorting Departments of the Calcutta General Post Office?

(c) Are Government aware that many clerks of the Calcutta General Post Office and its town sub-offices did not get leave during the period these reserve clerks worked in those Departments of the General Post Office as auxiliaries?

(d) Will Government please say whether the Postmaster General, Bengal and Assam, was empowered to utilise their services in other ways than that for which they were entertained?

(e) If not, will Government please say why the Postmaster General, Bengal and Assam, acted in contravention of the Government's orders on the subject?

(f) Do Government propose to issue orders for the proper utilisation of the services of these reserve clerks?

Mr. H. A. Sams: (a) A reserve of clerks is entertained to take the place of clerks absent on leave. When one of the reserve of clerks is not working for an absentee he is employed in assisting the regular staff.

(b) and (c). Enquiries are being made.

(d) to (f). Do not arise at present.

ARRANGEMENTS FOR DISPOSAL OF THE INWARD FOREIGN MAIL AT THE CALCUTTA GENERAL POST OFFICE.

983. ***Mr. S. C. Mitra:** (a) Is it a fact that Government sanctioned over-time allowance for the staff engaged in disposing of the inward foreign mail in Calcutta?

(b) Is it a fact that Government issued orders to the effect that staff engaged would get over-time allowance on condition that they must work for three hours and the mail must be disposed of within that period?

(c) Is it a fact that the imperial mail train carrying inward foreign mail was timed to arrive at the Howrah station at about 3 A.M. when the system of disposal of the mail at the Calcutta General Post Office was first introduced and delivery issued at 6 A.M.?

(d) Is it a fact that the imperial mail train now arrives at Howrah station at about 1 A.M. and delivery is made at 6 A.M.?

(e) Is it a fact that Government empowered the Presidency Postmaster, Calcutta, to decide the staff according to the volume of the mail and to select the staff?

(f) If so, will Government please state the formula by applying which the staff is to be engaged by the Presidency Postmaster, Calcutta?

(g) Are Government aware that the Postmaster General, Bengal and Assam, has reduced the staff to half?

(h) If so, will Government please say whether they have withdrawn their orders permitting the Presidency Postmaster, Calcutta, to decide and select the staff?

(i) If not, will Government please state the reason why the Postmaster General, Bengal and Assam, reduced the staff referred to above by half?

(j) Are Government aware that clerks are now compelled to work for more than five hours in place of three hours fixed by Government?

(k) Will Government please lay on the table a statement showing the number of bags received and the staff engaged when the system was first introduced and those received and the staff engaged now?

(l) Do Government propose to issue orders to appoint staff according to the formula sanctioned by Government and to see that the staff are not overworked and detained beyond the prescribed hours and delivery is not delayed?

Mr. H. A. Sams: (a) Yes.

(b) and (c). No.

(d) The time of arrival of the Imperial Indian mail train at Howrah normally depends on the time of its departure from Bombay, and this again is dependent on the time of arrival of the P. & O. mail steamer at Bombay. When the steamer arrives by 6-0 A.M. on Friday and the Imperial Indian mail train can leave Bombay at 11-0 A.M., the train is due to arrive at Howrah at about 1-0 A.M. on Sunday and the delivery of the foreign mail is made from the Calcutta General Post Office at about 6-0 A.M.

(e) The responsibility of deciding the number of staff to be employed on overtime was left to the Presidency Postmaster, who was to be guided by the volume of mails to be disposed of and by the accepted standards for the employment of overtime staff.

(f) A statement is being furnished to the Honourable Member separately.

(g) to (i). The Postmaster-General, to whom the Presidency Postmaster is subordinate, was instructed by the Director-General to make a thorough investigation into the system of employment of overtime staff in the Calcutta General Post Office, as it appeared that in many cases there were good grounds for doubting the admissibility of overtime pay with reference to the strict terms of the Government sanction. The final Report of the Postmaster-General is awaited.

(j) The hours of overtime duty have not been fixed by Government.

(k) The information, so far as it may be available, is being collected and will be communicated to the Honourable Member separately.

(l) Does not arise in view of the replies to parts (c) and (g) to (j).

APPOINTMENT OF SIKHS TO THE CIVIL AVIATION OFFICE.

984. ***Sardar Sant Singh:** (a) Will Government be pleased to state, after referring to the answer given to question No. 583, dated the 17th September, 1928, what steps have been taken since that date to remove the grievances of the Sikhs in the Civil Aviation Office? Has any Sikh been taken since then? If so, how many? If not, why not? How many vacancies occurred since that date? How many applicants were Sikhs? What is the proportional strength of the Sikhs in this particular service?

(b) Is it a fact that from 1st April, 1931, six appointments have been sanctioned in the Upper Division and eight in the Second Division in the Civil Aviation Office? Will Government state if in making these appointments Sikhs' interest would be taken into consideration, so that Sikh representation is brought to the level of other communities?

(c) How many men have been confirmed in this office since the 20th September, 1928? Was there any Sikh amongst them?

Mr. J. A. Shillidy: (a) and (c). Government are not aware of such a grievance. For five permanent posts which have been filled in the office since the 20th September, 1928, there was only one Sikh applicant, who subsequently withdrew his application. One Sikh is also holding a temporary post of assistant in that office.

(b) Five posts of assistants and eight of clerks have recently been sanctioned, and the question of securing a fair representation of the minority communities will, as usual, be considered in filling these posts.

APPOINTMENT OF SIKHS TO THE RAILWAY BOARD'S OFFICE.

985. ***Sardar Sant Singh:** (a) Will Government please refer to the reply given to question No. 560, dated the 17th September, 1929, and state the percentage of Sikhs in the Railway Board as it stood on the 1st February, 1931? If there is again a decrease in the percentage, what are the reasons for that and is that in accordance with the Home Department's orders issued in 1926?

(b) Since the answer referred to above was given what endeavours have been made to increase the number of Sikhs in that Office? If nothing has been done, is that the declared policy of the Railway Board towards this minority community and is it their intention to ignore the rights of the Sikhs altogether?

(c) How many vacancies on the permanent cadre of the Railway Board occurred during 1929 and 1930, and who were confirmed in those and why was no Sikh so confirmed? What are the qualifications of all these men and were they qualified by the Public Service Commission or recruited directly?

(d) How many temporary and leave vacancies occurred during the same period and how many of them were given to Sikhs, Hindus and Muhammadans? What are the names and qualifications of all these men and how were they recruited, i.e., whether through the Public Service Commission or directly?

(e) Of the men taken under part (d) above, who were confirmed later on and who are continuing still and how many of them are Sikhs?

(f) Why were the Sikhs, if there were any, not also retained or confirmed in the Railway Board? What were the qualifications of these Sikhs?

(g) In view of the assurance given by the Honourable Sir George Rainy on the 25th February, 1931, do Government propose to take steps to recruit Sikhs in future vacancies in order to give them their due share and to bring up the percentage? If not, why not?

Mr. A. A. L. Parsons: (a) The percentage of Sikhs on 1st February, 1931, was 2.5 and there has been no decrease.

(b) and (g). The claims of Sikhs as of other communities for a share in the recruitment to the ministerial staff of the Railway Board are and will be considered.

(c) No confirmations of the clerical staff were made during 1929 or 1930.

Two stenographers were confirmed in 1929, one of whom is a Sikh.

(d) As the office has a leave reserve, no appointments are made against leave vacancies.

44 men have been appointed from time to time against temporary vacancies, the communal composition being:

Hindus	24
Sikhs	3
Muhammadans	8

None of these has been confirmed.

They were recruited as follows:

By the Public Service Commission	3
From Railways and other offices	12
From outside sources	29

(e) None.

(f) Of the three Sikhs mentioned one was discharged due to return of men from deputation: One was transferred to the Home Department, and one has been transferred to the Controller of Railway Accounts where he has been since confirmed.

APPOINTMENT OF SIKH ENGINEERS IN THE PUNJAB PUBLIC WORKS DEPARTMENT.

986. *Sardar Sant Singh: (a) Is it a fact that out of a total number of 32 I. S. E. in the Building and Roads Section of the Punjab Public Works Department there are only three Sikhs?

(b) How many appointments have been made to this service since 1928 and why has no Sikh been taken in order to give them their legitimate share in this service?

(c) In view of the great paucity of Sikhs in this service, do Government propose to take a sufficient number of Sikhs as a result of this year's examination?

Mr. J. A. Shillidy: (a) The total number of Indian Service of Engineers officers in the Buildings and Roads Branch of the Punjab Public Works Department is now 28; of these 15 are Europeans and 13 Indians including 3 Sikh officers.

(b) and (c). As a result of the recommendations of the Lee Commission, recruitment to the Service in the Buildings and Roads Branch has been discontinued. Local Governments are empowered to create their own provincial services in the place of the Indian Service of Engineers in that branch and make recruitment thereto.

APPOINTMENT OF SIKHS TO THE INDIAN SERVICE OF RAILWAY ENGINEERS.

987. *Sardar Sant Singh: (a) How many appointments in the Indian Service of Railway Engineers have been reserved for redressing the communal inequalities during this year?

(b) Is it a fact that there are only three Sikhs in that service out of 216?

(c) If the reply to part (b) be in the affirmative, what steps do Government propose to take in order to bring in the required number of Sikhs in this service?

Mr. A. A. L. Parsons: (a) Three appointments have been reserved for the redress, so far as may be necessary, of marked communal inequalities.

(b) There are 5 Sikhs at present in the Indian Railway Service of Engineers out of a total of 218 appointments.

(c) The claims of qualified candidates of the Sikh community will be considered along with those of other minority communities, with due regard to the extent of the representation of each such community in the service, when selections are made to fill vacancies reserved for rectifying marked communal inequalities.

ABSENCE OF HONEYCOMB BRICKWORK IN NEW "D" CLASS QUARTERS IN NEW DELHI.

988. *Sardar Sant Singh: (a) Is it a fact that in the newly-built 'D' type orthodox quarters, the honeycomb brick work in the bath rooms does not exist? If so, why?

(b) If the reply to the above is in the affirmative, how long do Government propose to take to replace the honeycomb brick work of the old 'D' type orthodox quarters of New Delhi and thereby protect the occupants from cold draughts?

Mr. J. A. Shillidy: (a) Yes. Windows have been provided in place of honeycomb brickwork in the new 'D' class orthodox clerks' quarters in view of the demand for the abolition of such brickwork, and of the fact that windows in the new quarters can be provided without increasing capital expenditure.

(b) The attention of the Honourable Member is invited to the reply given by Sir Bhupendra Nath Mitra in the Legislative Assembly on the 21st March, 1927, to question No. 209.

APPOINTMENT OF MUSLIMS ON THE NORTH WESTERN RAILWAY.

989. *Khan Bahadur Haji Wajihuddin: (a) With reference to the reply given by Government to question No. 186, asked by Mr. Muhammad Anwar-ul-Azim on the 29th January, 1931, will Government be pleased to state:

- (i) if the North Western Railway authorities have satisfied themselves as to whether, according to statistics, the Muslims or non-Muslims preponderate in the subordinate services of that Railway, and if so,
- (ii) what practical measures they have taken, as required by Government policy to prevent the preponderance of any one community by the recruitment of the members of the minority community?

(b) How many Muslims belonging to the North West Frontier Province have been admitted by the Department for training and subsequent recruitment in various branches of the Railway services during the last three years?

Mr. A. A. L. Parsons: (a) (i). The North Western Railway maintain statistics showing the communal composition of (a) the total staff, and (b) the subordinate staff on scales of pay rising to Rs. 250 and over. According to these statistics, on the 1st April, 1930, Muslims were represented to the extent of 56.7 per cent. in the total staff and 12.3 per cent. in the senior subordinate grades. The question whether further statistics are necessary is under consideration.

(ii) The measures recently adopted and the further action contemplated on all railways generally and on State Railways in particular to give full effect to the policy of Government are described in the Railway Board's Memorandum on the representation of Muslims in the railway services, copies of which have been supplied to Honourable Members. Since then an officer has been placed on special duty to assist Railway Administrations in promoting the recruitment of members of minority communities.

(b) Government regret that they cannot undertake to collect or supply statistics relating to the recruitment and training of Muslims belonging to a particular province.

DISMISSAL OF A CLERK FROM THE PESHAWAR TREASURY.

990. *Khan Bahadur Haji Wajihuddin: (a) Are Government aware that one Arbab Juma Khan, a clerk who served in the Peshawar Treasury, has been dismissed from the service on a charge that he failed to pay the arrears of land revenue?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state if non-payment of land revenue is a disqualification for Government service and it constitutes an offence embodied in Government Servants' Conduct Rules justifying dismissal of a Government servant?

(c) If the reply to part (b) above be in the negative, do Government propose to have inquiries made as to the justification of dismissal of the clerk on the charge mentioned in part (a)?

Mr. J. G. Acheson: The information has been called for from the local authorities and will be supplied to the Honourable Member in due course.

RESTORATION TO MUSLIMS OF LAND NEAR THE KACHERY MOSQUE IN PESHAWAR CANTONMENT.

991. *Khan Bahadur Haji Wajihuddin: (a) Will Government be pleased to state if it is a fact that:

- (i) in 1926 a special committee appointed by the Cantonment authority of Peshawar recommended that the part of the Kachery Mosque land in Peshawar Cantonment used for the dumping of manure should be cleaned, planted with grass and leased in perpetuity to the Muslims;
- (ii) the Cantonment authority accepted the recommendation; and
- (iii) the land was subsequently taken possession of by the Military authority and included in the District Headquarter's garden?

(b) If replies to the above questions be in the affirmative, will Government be pleased to state if the land has since been restored to the Muslims as recommended by the special committee? If not, why not?

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

(b) The Honourable Member is referred to the answer given on the 30th January, 1929, to Haji Chaudhury Muhammad Ismail Khan's starred question No. 282. As I stated then, the difficulty of handing over the land is that there is no public body in Peshawar which represents the wishes and views of the Muslim community as a whole, and would be acceptable to the whole community as the tenant of the site.

ACCIDENTS CAUSED BY MILITARY LORRIES IN PESHAWAR CANTONMENT.

992. *Khan Bahadur Haji Wajihuddin: (a) Will Government be pleased to state the number of deaths in Peshawar Cantonment caused by over-running of military six-wheeler lorries during the past five months?

(b) What were the causes of the accidents; what punishment was awarded to the drivers for negligence and harsh driving and what compensation was given to the heirs of the deceased?

(c) How many of the drivers were British, and how many Indian soldiers accused of rash driving?

(d) What precautions have been taken to avoid recurrence of similar acts of carelessness?

(e) Are Government aware that the traffic of Government lorries is prohibited on the Mall and other connected roads and is limited to the roads particularly frequented by the Indian public? If so, why?

(f) Do Government propose to have an unfrequented road reserved for military lorry traffic in Peshawar Cantonment? If not, why not?

Mr. G. M. Young: I have called for the information and will communicate with the Honourable Member when it is received.

NOMINATION OF INDIAN MEMBERS TO THE PESHAWAR CANTONMENT BOARD.

993. *Khan Bahadur Haji Wajihuddin: (a) Are Government aware that:

- (i) a record exists in the offices of the Executive Officer, and Officer Commanding, Peshawar Cantonment, showing that in 1923 the practice in vogue was for the Cantonment authority to consult the local Hindu and Muslim bodies in respect of nomination of Indian members to serve on the Cantonment Board of Peshawar;
- (ii) the present Indian member was nominated after actually consulting the local Hindu Sabha and Muslim Association in 1923; and
- (iii) the practice mentioned at parts (i) and (ii) above was not followed in 1924?

(b) If replies to the above questions be in the affirmative, will Government be pleased to state why the usage consistent with the wishes of the Muslim public was abandoned when nominations were made in 1924, 1927, and 1931?

Mr. G. M. Young: I have made enquiries and will inform the Honourable Member in due course.

PROTESTS AGAINST THE NOMINATION OF A MEMBER TO THE PESHAWAR CANTONMENT BOARD.

994. *Khan Bahadur Haji Wajihuddin: (a) With reference to the reply given by Government to question No. 524 asked by Mr. Muhammad Ismail Khan on the 16th September 1929, will Government be pleased to state if it is a fact that:

- (1) the following protests and representations against the nomination of the present Muslim member of the Peshawar Cantonment Board have been received by the authorities mentioned below:
 - (i) Muslim Association's resolution dated the 3rd August, 1924, to the General Officer Commanding, Peshawar District,
 - (ii) Muslim Association's letter dated the 3rd August, 1924, to the Revenue Commissioner, North-West Frontier Province, Peshawar,
 - (iii) Muslim Association's representation dated the 2nd June, 1927, to the Honourable the Chief Commissioner, North-West Frontier Province, Peshawar,
 - (iv) Muslim Association's letter No. 40, dated the 2nd June, 1927, to the President, Cantonment Board;
 - (v) Muslim Association's resolution dated 26th August, 1928, to the Honourable the Chief Commissioner and General Officer Commanding;
 - (vi) Muslim Association's letter No. 262, dated 3rd July, 1930, to the Honourable the Chief Commissioner, and the General Officer Commanding-in-Chief, Northern Command, Rawalpindi,

(vii) Muslim Association's letter No. 664, dated 28th August, 1930, to the Honourable the Chief Commissioner, General Officer Commanding-in-Chief, Northern Command, and Government of India, Army Department;

(2) in spite of the above-mentioned protests the present member has again been nominated by the local Cantonment authority for a third time as a representative of the Muslim community?

(b) If replies to the above questions be in the affirmative, will Government be pleased to state:

- (i) why repeated protests made by the community against the monopoly of nomination maintained by one person for a considerable number of years were not given due consideration; and
- (ii) for what special consideration particular wishes of the Muslim public have not been acceded to so far, by allowing the present member to monopolize the office indefinitely?

Mr. G. M. Young: (a) Government are prepared to take the facts as stated by the Honourable Member. They have seen one of the resolutions referred to.

(b) The power of nomination is vested in the Local Administration, with whose discretion the Government of India do not propose to interfere. They understand that the Association referred to in the first part of the question does not represent the Muslim community of Peshawar as a whole.

INVESTIGATION AND PROMOTION OF FISHERIES.

995. *Mr. B. N. Misra: (a) Will Government be pleased to state:

- (1) the extent of the sea coast of British India extending over (i) Bombay, (ii) Madras, (iii) Orissa, (iv) Bengal, and (v) Assam, respectively; and
- (2) the number of (i) lakes, (ii) bays, and (iii) indentions, together with the coastal extent of each in British India?

(b) Will Government be pleased to state if they have considered the advisability of establishing a research institute for investigating the complex problems of fisheries which will encourage and improve the revenue of the Provinces?

(c) If the answer to the above question is in the negative, are Government prepared to consult the Local Governments to establish a research institute in the near future?

(d) If the answer to part (c) is in the negative, why not?

Mr. A. A. L. Parsons (on behalf of the Honourable Sir George Rainy): Sir, the Honourable the Commerce Member who is still indisposed has asked me to reply for him.

(a) (1) The approximate lengths of coast line are as follows:

	Miles.
(i) Bombay	785
(ii) Madras	1,350
(iii) Orissa	240
(iv) Bengal	540

Assam has no coast line.

(2) The compilation of this information would entail an amount of labour which would be incommensurate with its value when compiled.

(b) No.

(c) No.

(d) As "Fisheries" is a provincial transferred subject, the development of fisheries is primarily the concern of the Local Governments. Should the Local Governments consider that the establishment of a Central Research Institute would assist in the development of fisheries, they will doubtless address the Government of India.

APPOINTMENT OF CLERKS IN THE OFFICE OF THE CONTROLLER OF PURCHASE,
INDIAN STORES DEPARTMENT, KARACHI.

996. *Sardar G. N. Mujumdar (on behalf of Seth Haji Abdoola Haroon):
(a) Will Government be pleased to state the total number of senior and junior clerks appointed in the office of the Controller of Purchase, Indian Stores Department, Karachi, after the transfer of Mr. G. T. Thadhani to that Circle?

(b) How many Muslim senior and junior clerks were appointed?

(c) Is it a fact that the vacancies allotted to the Karachi Circle from time to time were never advertised in the local papers? If not, why not?

(d) Will Government be pleased to state the total number of senior and junior clerks made permanent during the period Mr. Thadhani has been acting as Controller of Purchase?

(e) How many Muslim clerks were made permanent during the same period?

(f) Is it a fact that there is a G. R. according to which an officer of the superior service cannot remain in one station for more than three years?

(g) If so, what are the reasons for retaining Mr. Thadhani in Karachi for about five years?

(h) Will Government be pleased to state the total number of officers of all grades and clerks working at the Headquarters Section and Purchase Section of the Karachi Indian Stores Department? How many of them are Hindus and how many Muslims and how many of other communities?

Mr. J. A. Shillidy: (a) Senior clerks—3.

Junior clerks—11.

(b) Senior clerks—Nil.

Junior clerks—4.

(c) Yes, because a very large number of applications from qualified candidates were received without incurring any expenditure on advertising.

(d) Senior clerks—3.

Junior clerks—5.

(e) None. I may explain in this connection that temporary clerks were confirmed strictly in accordance with seniority, when the temporary appointments held by them were placed on a permanent footing. The majority of the permanent clerks were appointed to the posts in which they were confirmed before Mr. Thadhani took over charge of the Circle.

(f) No.

(g) Does not arise.

(h) Two officers from the general Purchase Cadre of the Indian Stores Department are usually employed at Karachi. Both of them happen to be Hindus at present, but one will shortly be replaced by a Muslim.

The office is divided into six sections and the strength of each section is as follows:

Direction Section—1 Hindu.

Accounts Section—1 Hindu.

Indent Section—(8 Hindus, 2 Muhammadans, 1 Parsi).

Typing Section—3 Hindus and 1 Muhammadan.

Despatch Section—2 Hindus.

Stenographer—1 Hindu.

Mr. C. S. Ranga Iyer: Sir, I have arranged with the Honourable the Home Member for putting the question* tomorrow, and with your permission, I would like to postpone it till then.

ELECTION OF MEMBERS TO THE PUBLIC ACCOUNTS
COMMITTEE.

Mr. President: I have to inform the House that the following Members have been elected to the Public Accounts Committee, namely:

1. Mr. S. C. Mitra.
2. Kunwar Hajee Ismail Ali Khan.
3. Sardar Sant Singh.
4. Mr. T. N. Ramakrishna Reddi.
5. Mr. B. Das.
6. Mr. Abdul Matin Chaudhury.
7. Rao Bahadur M. C. Rajah.
8. Mr. Muhammad Anwar-ul-Azim.

ELECTION OF MEMBERS TO THE GOVERNING BODY OF THE
IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH.

Mr. President: I have to inform the House that Maulvi Muhammad Shafee Daoodi and Mr. Hari Raj Swarup have been elected to sit on the Governing Body of the Imperial Council of Agricultural Research.

*Short Notice question regarding the Release of Political Prisoners.

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

Mr. President: Members will now proceed to elect two members to sit on the Governing Body of the Indian Research Fund Association. There are 6 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 SALT (ADDITIONAL IMPORT DUTY) BILL.

The Honourable Sir George Schuster (Finance Member): Sir, I move for leave to introduce a Bill to impose a temporary additional duty of customs on foreign salt.

I do not propose to anticipate what I may have to say in the discussion on the further stages of this Bill, but there are one or two things which I think it necessary to refer to at this stage. Honourable Members will see that the Report of the Committee of the Legislative Assembly on this question is not entirely unanimous, so that one must recognise that there is a certain amount of controversy on this subject. From the Government point of view, I would say that our action in this respect represents an attempt to practise the very difficult art of responsiveness, which we are often asked to practise by Honourable Members opposite. We took the course of putting ourselves in the hands of a Committee of the Legislative Assembly in this matter, and having taken that course, we propose to follow it out and to act on the recommendation of the majority of the Committee and take full responsibility for that action.

There are three points on which I would like to give explanations now, because from some of the comments that have appeared in the Press there seems to be some misunderstanding about these particular points. I would point out that clause 5 of the Bill provides for the exemption of salt produced in India from these new additional duties which are now proposed, and that the term "India" includes Aden, for in that respect we are acting on the recommendation of the Tariff Board. I would further point out that clause 5, and particularly sub-clause (2) of that clause, has been so worded as to secure that Indian salt shall enjoy its exemption from the additional duties from the very start and that the admission to this concession should not be delayed pending the framing of rules under clause 6 and subsequent correspondence with the producers. Lastly, I would point out that, although clause 3 of the Bill imposing an additional duty of customs on foreign imported salt refers only to ports in British India, the effect of section 5 of the Indian Tariff Act will be to impose the additional duty also on salt imported by land from French or Portuguese India.

That is all that I need say about the Bill as it stands, which should be read together with the Report of the Committee of this Assembly. I should like to add a word about the application of the proceeds of this additional duty. It is no part of the intention of the Government to use this measure to benefit general revenues by a back door. The Committee

has made certain recommendations as regards the application of the proceeds, and it would be our intention to adopt the procedure of bringing forward a Resolution before the Assembly laying down what the method of application should be. In taking that course, we should be following the precedent of the Road Fund, where, after the duty had been imposed in the Finance Bill, the late Member for Industries and Labour, Sir Bhupendra Nath Mitra, put a Resolution before the Assembly as to the application of the proceeds at the following Simla Session. That is the course which we propose to follow in this case. The drafting of the Resolution is a matter of some complication, and we certainly could not undertake it until we have had an expression of the views of this House on the recommendations of the Committee. Therefore, there will not be time to deal with it this Session.

Finally, I wish to take this first opportunity to make a statement on a certain personal matter. In one of the minutes of dissent there are certain remarks which might be taken as criticisms of a very distinguished public man, who has rendered very great service to the Government in connection with this business. I refer to Sir Chunilal Mehta, who acted as Chairman of the Salt Survey Committee which was appointed by the Government of India in accordance with the recommendation of the Tariff Board. In one of the minutes of dissent, the following passage occurs:

"I do not know what led Government to select Sir Chunilal Mehta for this inquiry; if I may say so, he was coming to the work with preconceived ideas. As Chairman of the Conference of Salt Producers held in Bombay on the 23rd September last, he had sent a telegram to the Government of India, urging emergency action on the lines of the recommendations of the Tariff Board in the interests of the Aden manufacturers among others. It would have been much better if the inquiry had been entrusted to some one who was not committed in advance to an acceptance of the Tariff Board's proposals."

Now, as far as that sentence is a criticism of the Government, I am perfectly prepared to deal with it and shall deal with it in the course of further debate if the matter is pursued. But I cannot allow that statement to stand in so far as it represents any sort of criticism of Sir Chunilal Mehta. Sir Chunilal Mehta was appointed as Chairman of the Salt Survey Committee several weeks before he was invited to preside over the Conference of Salt Producers in Bombay. They approached him to preside at that Conference and he informed them that he was going to be Chairman of the Salt Survey Committee and that he had no interest whatever in the salt trade. Nevertheless, they pressed him to preside, and he wrote at once to one of the members of the Central Board of Revenue, who replied to him that the opportunity of meeting the salt manufacturers in conference was very fortunate and that he trusted that Sir Chunilal Mehta would be able to obtain much useful information from them. So that, in presiding over that Conference, he was acting after full consultation with Government and acting in accordance with the wishes of the Government. In fact, we thought that it was a most business-like procedure that he should get into touch with them as that would help him very much in the work that he was asked to perform. In opening the Conference, he used the following words:

"I am much obliged to you for asking me to preside at the deliberations of your Conference. I am neither a producer myself nor have I any interest in the salt trade. I presume that I have been asked in view of the inquiries which the Government of India has decided to make on the question of supply of salt to this country by India."

[Sir George Schuster.]

Myself. I take this as an earnest of your intention to help the inquiry in every way you can, and I am grateful to you for the same. I have of course at the moment neither the knowledge nor the desire to give any guidance in your deliberations, but I welcome this opportunity of hearing the views of the manufacturers. I am sure they will be of great assistance to my Committee."

I think it will be apparent from that, that Sir Chunilal Mehta has acted with complete propriety throughout. If there is any criticism to be made on the Government—which I entirely repudiate—that, I say, is a matter which can be dealt with later. I adhere to the opinion that Sir Chunilal Mehta was the best man that we could have got to preside over this inquiry and the work that he has done has fully justified us in our selection. Sir, I must apologise to the House for taking some time in making that explanation, but the gentleman to whom I have referred has felt the implied aspersion somewhat keenly and I felt that it was my duty to take the very first opportunity of giving prominence to the real facts of the case. Sir, I move.

The motion was adopted.

The Honourable Sir George Schuster: Sir, I introduce the Bill.

THE INDIAN FINANCE BILL—contd.

Mr. President: The House will now proceed with the further consideration of the Finance Bill.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, education is no doubt a transferred subject, but for three reasons which I am going to mention just now, I would like to discuss the matter here in the Assembly. My first reason is—I am strongly of opinion that the Government of India ought to give some money for primary and other forms of education. The Hartog Committee, which was an auxiliary committee to the Statutory Commission, strongly recommended that the Central Government ought to finance for the introduction of compulsory primary education. Sir, in every country, the money realised by taxes is spent for the growth and spread of education. In England the Central Government collects all the taxes and the local authorities collect the taxes. The Central Government pay not less than half of the expenditure incurred by the Local Education Authority. I think, Sir, it is the legitimate charge on the taxes realised by the Central Government and I think we ought to set aside some funds for the spread of primary education.

My second reason is that we are now introducing a lower franchise. We are discussing the question of adult suffrage and it is impossible to lower the franchise or to have universal voting unless compulsory primary education is introduced and voters become literate; and in this connection I give an illustration which happened in my own case. A voter came to the polling officer and the polling officer asked him for whom he wanted to vote. He said with clasped hands that he would vote for any person whom the polling officer would suggest. The polling officer pressed him to mention a name. The voter replied, "You put down your own name". If you really want adult franchise to be a reality, it is absolutely necessary that we

should introduce compulsory primary education in order to make voters literate. It is, Sir, impossible to introduce compulsion unless the Government of India who realise the money from the taxes, finance the provinces.

My third reason for discussing here the transferred subject is that in all countries where education is a transferred subject—for instance Germany—the principles are discussed at the Central Legislature, because at the Central Legislature we have got the representatives of all provinces who have the experience of the successes and the failures of the various measures tried in their respective provinces. Sir, here alone we can discuss the measures that have been adopted by different provinces and decide the manner in which we can introduce compulsory primary education. For these three reasons I take the liberty to discuss a few aspects of education. The first point I take up is the question of primary education. Primary education, as I just now mentioned, is no longer a luxury. It has become a necessity on account of the fact that we are introducing a lower franchise, and may possibly agree to adult suffrage. Sir, at present there is an enormous amount of illiteracy in the country, only 7·2 out of 100 can read and write, and if we do not take special steps and if the present rate of progress continues, it will take 150 years to attain the percentage of 80 which is supposed to be the percentage of literacy in civilised countries. This figure was challenged by Sir Philip Hartog, the President of the Auxiliary Committee, and I worked out the figures again and come to the conclusion that, with the present rate of expansion, it is impossible to introduce literacy in India within 150 years, and therefore special measures have to be adopted in order to make this country literate in the near future. For this reason I think that exceptional measures should be devised. The Imperial Government should come to the aid of the provinces and give grants to Provincial Governments for mass education. In England special measures are taken to finance the education of necessitous areas and we think it desirable, in the interests of British India as a whole, that similar means should be adopted in this country. The recurring cost of introducing compulsion in primary education has been calculated in several provinces, notably in Madras, Bengal, the United Provinces, and for India as a whole by the Hartog Committee, but there is one common mistake which was made in every case. I should like the mistake to be rectified. That is in calculating the cost per head on primary education at every place, they found out the figure by dividing the total expenditure by the total number of students now present in the primary schools, and by this method the cost of education was calculated to be Rs. 8 per head per annum. In every case it was admitted that the present schools are sufficient to take in a certain number of additional pupils without increasing the present cost and, therefore, really speaking, the true cost ought to be calculated not by dividing it by the present number, but by dividing it by the number, which the present schools can teach. If we divide it by this figure, then the cost per head will be reduced to Rs. 5 per head and not Rs. 8 per head. This is a thing which we ought to rectify and we ought to make our calculations on this basis. Sir, the Hartog Committee have urged that, in order to introduce compulsory primary education, we need a recurring expenditure of 20 crores of rupees every year. I calculated the figures roughly and I came to the conclusion that we require less than half of this amount, that is about 9 crores. We want 2 crores to introduce compulsory education in the case of boys and about 7 crores to introduce compulsory education in the

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case of girls and I will give you these figures presently. There are two other items on account of which it is possible to economise expenditure still further. We should have about half the number of the primary schools of the old Indian type which are called *maktabs* and *pathshalas*. These schools are quite good from the point of view of language instruction and the great advantage is that the cost of education is less than half of the cost per head in the ordinary primary schools. The cost of education will be reduced by one-fifth. The second item on account of which it is quite possible to have economy is, to reduce the period of compulsory education, at least for the present, from 5 to 4 years; and there is a bulk of evidence in proof of this fact, that in four years permanent literacy could be achieved. As to the point whether we could reduce the period from five to four years, I spent a good deal of time in inspecting primary schools in various places, and I came to the conclusion that though 5 years are certainly better than 4 years, and 6 years are certainly better than 5 years, in order to start a scheme of compulsion at a minimum cost, it would be better to begin with 4 years' programme.

The Revd. J. C. Chatterjee: May I ask the Honourable Member whether he could tell us whether he saw any country where the term of years for compulsory education is so low as 4 years? Is there any country that the Honourable gentleman visited where the period of compulsory education is only 4 years?

Dr. Ziauddin Ahmad: The period of compulsory education in England and Germany is eight years. In France it is seven. England is contemplating to raise it by one year. But, Sir, the period of compulsion was only four years when they first passed their Compulsory Primary Education Act in 1870. The duration of compulsion increases with our experience and with the resources of the country. (*An Honourable Member:* "In Bavaria it is four years".) In every country the compulsory period of instruction at the commencement was on a lower scale and they gradually increased it according to the resources of the country. We begin with the minimum period necessary to secure permanent literacy and the Hartog Committee was also of opinion that four years were sufficient. That is not a very important point; what I wanted to say was that, if the above two measures were adopted, then a further reduction could possibly be made. Sir, according to the figures given by Sir Phillip Hartog, there are 17 million boys of school-going age. Out of these, as it is universally maintained, we can never bring more than 80 per cent. of the children to our schools; then, we have to cater for about 14½ million boys, out of which 7½ million are already receiving instruction in the schools: so, really speaking, we have to provide for 7 million more. Now the Hartog Committee also maintained that out of this number—7½ million—we can put in 3 million more in the existing schools without incurring any additional charge. Therefore really we have to provide for the remaining 4 million boys, and the cost at the rate of Rs. 5 per head comes to Rs. 2 crores. So this is the money which is required in order to have compulsory primary education among the boys in the whole of British India. Now in the case of girls the figures are slightly worse, that is, out of 14½ million girls who are available for instruction out of which only 80 per cent. or 14½ million can be brought to schools, we have got only 1½ million already in our schools; then, we have to cater for the remaining 13 million girls. Now we know that in most villages we have got common instruction for both boys and girls up to the age of ten, and if we take it for granted that half of the girls may be taught in the

ordinary schools where the cost of education will be Rs. 5 and that the other half may be taught in separate girls' schools where the cost of education may be Rs. 8, then, calculating both these figures, we come to Rs. 8½ crores for compulsory primary education among the girls. Further reduction is possible if we adopt the two measures I have just described. We need 10½ crores and possibly less to introduce free compulsory education in the whole of British India. I know that the country is quite prepared to pay for the cost, provided they are satisfied on two points. I followed the discussion in the United Provinces, in Bengal and elsewhere. There are two fundamental points on which the public would like to be satisfied before they vote for new taxation. In the first place, we are not satisfied with the present administration of the Director of Public Instruction's office. We believe that a good deal of money is being wasted on costly buildings and in maintaining unnecessary staff. Therefore, it is very desirable that economy should be made, and we should fall back upon very modest buildings suitable to village life and have very modest staff. The people want a special committee to look after the proper utilization of special taxes for primary education, because they feel that if the whole amount is credited to general education funds, then a good morsel will be spent on inspection, direction and other administration and little will be left for the real object of providing primary education. The second thing we want to be satisfied on is that there should be a syllabus which may be quite in keeping with the requirements of villagers. We are not satisfied with the present syllabus, which does not take into account the real needs of the village boys, because after receiving education in the present schools, boys have a tendency to give up the profession of their forefathers, that is, agriculture, and shift to the industrial towns and to hanker after some kind of service and make the difficult problem of town life more difficult. When we are satisfied over these two points, and if the Government of India also contribute some money, it is quite possible that the Provincial Governments will come forward with additional taxation in order to enforce compulsory primary education.

Sir, another point which I should like to bring to your notice is the mischievous policy which the Government have adopted about secondary education. We all know that in secondary education lies the centre of gravity of the whole system. It affects primary education on the one side and higher education on the other. If you ask me what is the central point of English education, I have no hesitation in saying that this is the public schools in England. If you ask me which is the most important institution in France, I have no hesitation in saying that this is the Lycee. And if you ask me which is the centre of the German system of education, I shall have no hesitation in saying that this is the Gymnasium. And if you ask me what is the most defective part in the Indian system of education, I will have to say that this is the High Schools. They have no policy, no traditions, and no attractive courses of instruction. The policy, the administration, the courses of instruction and manner of teaching require radical change. But unfortunately there are very few persons who advocate the promotion of secondary education. Sir, this policy of secondary education was first laid down by the Hunter Commission of 1882, and it was reiterated by Lord Curzon in his education policy of 1904 and again reiterated by the Government of India in 1913. This policy is that the Government, as a model, should maintain one High School in every district and leave the people of the country to establish their own High Schools, and the Government should help, or speaking more correctly, should put on their brakes under the

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excuse of grants, recognition and inspection and so forth. Sir, recognition and inspection are not carried on for the benefit of the people, but they are used to curb the efforts made by the people for the spread of secondary education. Sir, there are, I say, very strong objections to this system. One effect of this policy has been that secondary education is restricted to the richer classes. Those who are rich and can afford to pay at least half of the maintenance cost of secondary education get entitled to receive secondary education, and the rich class of people get richer. Secondary education is not given to persons who really need it, but to persons who have got plenty of money to enjoy as a luxury. Now the second defect in this policy is that these high schools are concentrated in the big towns; the big villages and smaller towns are left out. If the thing had been done properly, then probably there would have been a fair distribution throughout the country. My third objection to this principle is that the high schools are very stereotyped. One school is a model of the other, and there is no originality in instruction. We all condemn the present system of secondary education in India, and if we investigate the matter closely, we will find that the secondary schools are the root cause of our evils. They have got no variation in teaching, no educational experiments are performed, and the routine instruction is repeated day after day in the same manner as was done in the previous years.

Sir, I now come to the most important of our evils and which is really the root cause of all our political differences. At present we
12 Noon. are complaining about the separatist policy and about communalism and so on, but I would remind the House that the seed of all these things is sown by the policy of the secondary education devised and practised by the Government. In this connection I may be permitted to read a certain passage. Before I do so, I may just mention that the provision of secondary education was not considered in England to be the duty of the State till 1902. In Germany and in France, however, the Government of the country were responsible directly for the secondary education of the people from the very outset. France at one time went one step further. She had State monopoly and did not permit for half a century any aided High School. In England secondary education was left to the effort of the people, but before the war and most prominently after the war she has changed her policy and, in England also the State has now recognised its duty to look after the secondary education and to provide as many High Schools as may be required for the people. The following is the passage I wished to quote:

"In India the State should consider the provision of proper education for the people in all stages as one of its established duties and then most of the existing educational and communal troubles will come to an end. It is the common experience of India as well as of all Western countries that educational institutions not maintained by the State are mostly denominational. In England schools were first established by religious organisations and a conscience clause was added afterwards. Every community in India will be compelled (as we are being compelled now) to set up its own organisation for collecting funds and to run its own educational machinery by holding conferences and organising committees and sub-committees. This will naturally lead every community in India to organise its own cultural societies and enlist volunteers or militia for the collection of funds for educational and other philanthropic purposes. A demand for cultural autonomy on the lines of the modern Central European States will be irresistible. The autonomy granted by the Esthonian Government to various nationals inhabiting the country is considered by the Germans to be an ideal one. Every community will become an *imperium in imperio*, and its organisations in highly developed forms will retard national growth. The State responsibility of all forms of education, as in most countries in the West, is the only solution of the difficulty."

Maulvi Muhammad Yakub: What book is that from which you have quoted?

Dr. Ziauddin Ahmad: That is a quotation from my own book entitled "Systems of education in England, France and Germany".

Sir, if we wish to form a real nationalism in this country, it is of utmost importance that we should revise the educational policy. Let the State take the entire responsibility of education and leave the people to carry on in exceptional cases a few experimental schools here and there. The State may support financially such measures. But if this policy of State responsibility is not adopted, and if every community is going to organise its own system of education, then I do not see how you can avoid, for instance, the demand of the Mussalmans and other classes for separation of funds for their schools and colleges. They would naturally demand that these funds should be regulated by the Muslim Members of the Legislature or by special societies of the Mussalmans. I do not see how you can refuse that demand. So, either the State should take the responsibility of the entire education and thus do away with these communal disputes in India or we will have to set aside educational funds for every community who will organise their own schools and colleges on the lines of German schools in Zecho-Slovakia and ultimately have our own Departments of Education. We will not have to fight for a few posts, but we will have to fight for the separation of funds and separation of departments. The demand will be that our share of funds be entrusted to us and their division be according to our wishes. Now, this is the thing which would be unavoidable unless we change our policy of education, and the State should boldly undertake the State responsibility for education.

Sir, so far I have dealt with the expenditure. Now I will take up the third point, which will involve the curtailment of expenditure. I strongly advocate that the Advisory Committees which we have established in the provinces, the Central Advisory Committee which we have established in England, the advisers to the Indian students whom we are now maintaining in University towns, should all be abolished, not because they are useless, but because they are positively harmful. I have not come across a single Indian student, either in England or in India, who told me that he got admission and facilities on account of the help given to him by the Central Advisory Committee in London or the Advisory Committees in the provinces. I have however met a number of Indian students who have told me that, in spite of the opposition of the Advisory Committees, they have managed to secure admission in various Universities. So, if this is the case, I wonder why we are maintaining such a costly system and why we should pay for an organisation which, instead of being useful to Indian students, is proving to be positively dangerous. I think therefore that it is very desirable that all the expenditure that we are now incurring on these Advisory Committees should be done away with. If the Honourable the Finance Member decides finally to appoint a Retrenchment Committee, then I will certainly submit a note to this Committee to the effect that their first axe should fall on these Advisory Committees in the provinces and the Central Advisory Committee in England and the advisers of the Indian students. I had thought, Sir, that a time comes in every man's life when he is left to himself, and certainly such

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a time comes to a student when he goes to the British Universities. But our Indian students are watched very carefully. They are policed even in British Universities, in Oxford, Cambridge and other Universities. Now, if we abolish the Advisory Committees, it is very desirable that we should institute some kind of Information Bureau to supply information to Indian students about the Universities in the United Kingdom and about the Universities abroad. For this purpose I would very strongly recommend that the Government of India should establish an Advisory Committee with a Bureau of Information as recommended by the Hartog Committee. Now, this is exceedingly important. Every country in the world has got an Information Bureau which supplies information regarding the facilities provided in other countries for the benefit of the students. It is proving very useful in every country, and I would very strongly recommend that the establishment of the Bureau should be taken up immediately. Then there are some very important works which this Bureau ought to do. The first work which the Bureau may take upon itself immediately is to supply information about the foreign Universities to the Indian students. The Provincial Advisory Committees are now supposed to do this work. The Secretary of the Provincial Advisory Committee is supposed to supply such information, but he himself is ignorant of foreign Universities, and the work is really left undone. The Central Bureau can do the work more efficiently than the Provincial Secretaries can. The information may be supplied to the students through the Principals of the Colleges, the Vice-Chancellors of the Universities. Then the Bureau can also supply the necessary information to the British Universities, because for want of such information the present rules of British Universities for the recognition of Indian degrees and diplomas are very inconsistent. This is a point which I discussed last time about the inconsistency, and I do not like to take it up again in detail on the present occasion. The trouble that has recently arisen in connection with the recognition of Indian Universities by the General Medical Council would have been avoided if a central authority like the proposed Bureau of Information had supplied the useful and necessary information to the British Universities in time. It was pointed out to us that they took the action on account of the fact that information which they wanted to have was not supplied by the Indian Universities.

The information which is now supplied to the Indian students about foreign Universities outside Great Britain is very poor. On account of insufficient information about foreign countries, students unnecessarily waste their time. Provisions are made in other countries to supply information, and the lack of such organisation in India is very deplorable. Officials connected with the Students Advisory Committee in London keep themselves in touch with the British Universities, but their knowledge about the Indian Universities and other foreign Universities is out of date. The Advisory Board of Education, of which the Bureau of Information will be a branch, will be expected to do very useful work in this direction which at present is left undone. There is at present a standing charge against the Indian Government that they do not help like other countries in carrying on new educational experiments. They have done some work in agricultural research. Our training colleges and our teachers are ignorant

of the latest theories, our system is stereotyped and the Government of India is the best agency for carrying on the educational experiments. Perhaps an Advisory Board will be the best Agency for carrying on educational experiments.

Sir, on this occasion, I should like to mention, and I am sure Honourable Members will not believe me, but they will have to believe, because it is a fact. In the Training Colleges in India, the history of education is taught only up to the period of 1870 and all the improvements, all the discoveries and all the new methods that had been introduced in the world during the last fifty years have not yet found a place in the Training Colleges in India. It is on account of this reason that the Retrenchment Committee of Bengal definitely suggested that all the Training Colleges should be abolished, because they were perfectly useless. Of course I very much sympathise with their suggestion. I should not advocate that they should be abolished, but I should certainly advocate that their courses of instruction should be modified and the latest improvements in educational methods ought to be made known to the students, and the students of the Training Colleges should be made familiar with them. The Board will have another function allied to the new educational experiments, that is, it will publish pamphlets on special topics. I do not want to dilate on the other important functions, because I have formally communicated them to the Secretary of the Education Department and I hope he will have time to consider all the arguments that I have brought forward for the establishment of a Board at an early date.

Sir, the other point I should like to take up about education, is the technical education which I believe is one of the most important features. I am not sure whether the fullest meaning and purport of technical education have really been understood. I believe technical education, as is taught and as is professed to be taught, is very poor and it is really a deception. Sir, after the war, technical education has been made compulsory in Germany. In England they have established special types of schools, called the Central Schools, and in all the Central Schools, technical subjects form an important part of general curriculum. It is a recognised fact that technical education gives as much mental training as the teaching of history or geography, and really the old distinctions between the technical and liberal subjects are now being removed and replaced by humanistic and realistic subjects. I therefore submit that technical education should form a compulsory part of the programme of every Middle School, every High School and every College.

The other thing to which I would like to draw the attention of the House is that we send out a large number of our students to Europe, but unfortunately they do not get any opportunity for practical training. Of course, no doubt the High Commissioner sometimes succeeds in arranging for the practical training of a few students on the payment of a high premium, which very few students can afford. The present method adopted is not conducive to proper training of students. Therefore, what I strongly advocate, and it is the only satisfactory way of securing practical training for Indian students, is the method which Japan and other countries adopted in the early years of their industrial development. Factories are always willing to teach the use of machinery purchased from them. The Government of India, the Local Governments, the Ruling Chiefs and private individuals who purchase machinery from Europe and America in

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large quantities should make up their mind not to place any order until the factories are prepared to teach the use of this machinery to at least two Indian students. To this they must necessarily agree. If they do not, they cannot sell their machinery. If Indian Engineers trained at home or abroad are carefully selected without any regard to sectarian or provincial considerations, they will be able to see and learn much more than the mere use of machinery. The High Commissioner for India gives large orders on behalf of the Government of India. He should purchase only from such firms as are willing to take Indians as apprentices for practical work. Unless the High Commissioner for India and the Indian industrial magnates come forward and help in the practical training of Indian youths, mere opening of technical institutions and mere awarding of scholarships will not substantially promote the industrial development of India. As in other countries, industrial development depends upon the genuine co-operation between Government, the capitalists and the educationists. Therefore, Sir, I would like to advocate very strongly that in the Annual Report published by the High Commissioner a special Chapter should be devoted to giving the names of students and the names of firms who give facilities to Indian students for practical training in the use of machinery. Unless special instruction is given, I am afraid that the mere institution of a few scholarships will not really advance technical education.

Before I finish this aspect, I should like to emphasise one thing on this point. In many countries technical education is maintained by the funds realised from Customs and taxes. In Switzerland, as the Honourable the Finance Member will know, the Central Government has got only one source of revenue and that is the Customs. Even taxes are left to their Provincial Governments. From the Customs they maintain a whole series of technical educational schools in the country. There, they realise that the maintenance of technical institutions and technical colleges is a necessary charge on the funds of the country. Therefore, I think that there is another point on which the Government of India ought to support the Provinces.

The next thing I should like to touch upon—and on this I would have liked to have a full dress debate, but I cannot do so at the short time at my disposal—is the subject of the competitive system of examination. I entirely agree that for every appointment you must have the best man; I entirely agree that for every appointment, you must have the most efficient persons, but I strongly protest and I challenge the point that the most able and the most competent man can be selected by what is known as the competitive system of examination. This is a point on which I should like to dwell briefly.

An Honourable Member: Abolish then the Public Services Commission.

Dr. Ziauddin Ahmad: I will just come to it. Of course in India, the administration is not new. The Brahmins and the old Indians had been carrying on their administration for a long time. Many other countries are carrying on their administration in their own way, but the recruitment of Civil and Military Officers by the system of a competitive examination was first devised by England and unfortunately copied by India. Not only

the system of competitive examination, but the whole system of examinations is really the great mischievous part in the British programme of education, and I wish they had not been adopted at all. Sir, you cannot judge by any system of competitive examination, and I challenge anybody to devise an examination by which human intelligence, character, honesty, self-reliance, sound judgment, common sense and resourcefulness, moral courage, and ability to lead and guide may be judged. These are the essential qualifications from the point of view of administrative officers. Yet none of these qualities can be judged by means of competitive examinations. Sir, there is a great difference between a test in a class room and a test for the selection of candidates. In class examination you only judge whether the candidate knows the subjects taught by his teachers, you really test his knowledge. In the case of recruitment for public services, you test his capacity and his ability to do certain work. In case of a candidate for service these are the more important qualities than his knowledge of facts. Really speaking, we do not want so much to see whether a person knows more about Geography, or whether he is able to work out more exercises in Geometry, or write better essays in English, or can solve some mathematical problems or repeat some classical quotations, as we want to know how far he is capable of discharging the duties of the post for which he is recruited. Sir, the point that I wish and emphasise to say is, it is scientifically impossible to determine order of merit in any examination by adding the marks which candidates have obtained in a series of papers scattered over different subjects. This particular question was scientifically discussed by Professor Edgeworth, and his researches led to the conclusion that in every examination there are certain errors—of course the word 'error' is a mathematical term—there are certain mistakes which are quite unavoidable even if the examiner be the most conscientious and the most honest person. Every person has got a certain human weakness, and there are certain mistakes which are unavoidable. These mistakes have been given a technical term, and they are called errors due to perception, the taste of the examiners or their idiosyncracies, difference in scale and the errors due to fatigue. This question was discussed by the Calcutta University Commission in greater detail and the results are published in the sixth Volume of its Report. Sir, I cannot discuss the details of these errors, but I will illustrate only one of these errors, that is, the perception of the examiner; and for this I will just quote an example of the difference of perception 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 fair-play 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 difference of perception of the examiners. Now, this question was investigated recently by Mr. Kuppuswami of Trivandram, his statistics are published in the *Hindu*, dated the 21st December, 1930. He gave the same paper to 46 different examiners and the marks awarded by

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examiners ranged all the way from 9 to 37. I think it is very desirable that more experiments should be carried on, and more statistics should be collected. So, Sir, the aggregate amount of all these four errors has been actually calculated by Professor Edgeworth and the actual amount is 7.5 per cent. This means that if a candidate has obtained 100 marks in any examination, his true marks may have been either 107.5 or 92.5, because within the limits of 92.5 and 107.5 it is impossible to judge the order of merit. The candidate who obtained 92 marks may be better than the candidate who obtained 107 marks. The one may have been profitously and the other may have been adversely affected by unavoidable examination errors. The determination of the order of merit by the total of marks is just equivalent to a toss. There is so much diversity in the system of marking that it is impossible to put down the order of merit and it is impossible to find the ablest and most efficient candidate by means of competitive examinations. Therefore this is a system which ought to be carefully looked into. We on this side have always opposed competitive examinations, but we do not oppose them on the ground that we do not want the best men or the most efficient men, but on the ground that by means of this method you really cannot pick up the best men required for the purpose. In the first place the order of merit is only a question of luck. Besides there are so many important qualities and qualifications which really cannot be judged by means of competitive examinations.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muham-madan): Then what do you propose to substitute for it?

Dr. Ziauddin Ahmad: My Honourable friend asks me what is the substitute. We know that England is not the only country which selects candidates for public services. The selection method is followed in Germany; it is followed in France; it is followed in other countries; but to my mind, considering all the circumstances of the case, the method adopted by France is really the least objectionable. I should like to have a full-dress debate on this point, but I will take some other opportunity to explain this in greater detail. Now, Sir, I will leave the subject of education at this stage and will go on to the important subject of finance.

My first objection is to the new method which the Finance Department has adopted in including the figures of treasure in the imports. If I sell any article to England and they pay me in money for the article which I sell them, then naturally they will pay either in the shape of gold or silver, in the shape of bank notes or in the shape of other articles. If the money which I receive for the sale of my article is given to me in the shape of treasure, it is certainly not an import, but it is the price of the article which I sold. Therefore in the calculation of the figures of import, the figures of treasure ought to be excluded. We ought to take up only the figures of merchandise, whether private or of Government, and we should determine the balance of trade by the excess of export of merchandise over its import. The mistake in the statistics of our sea-borne trade ought to be rectified, and I am glad to see that the Report published by the Controller of the Currency makes the distinction clear. It gives the balance of trade in merchandise separately, then the total visible balance of trade in which treasure is taken into consideration, and then the total visible balance of

accounts obtained by allowing the demand made by England. I think this is the real method in which the statistics of the sea-borne trade ought to be published. These statistics are given on page 48 of this Report of the Controller of the Currency. The point which I now take up is the question of the exchange ratio of 1/6. I do not want in this case to begin from its early history. I do not like to follow the example of the German philosopher who began his address on the history of philosophy by discussing whether Adam was or was not a philosopher. So I will not take you to a very remote period, but I will just refer to the recommendations of the Fowler Committee in 1898. Our exchange policy was really fixed from that time, and until the outbreak of the war we have been following the policy recommended by the Fowler Committee. That was a very prosperous period from the point of view of Indian finance. Here sovereigns were made legal tender and the current coin ratio between the rupee and the pound was Rs. 15 and a gold sovereign was considered to be as good as a paper currency note. These notes were easily available and always interchangeable. The balance of trade at this time was always in favour of India and from the financial point of view our position was very prosperous. During this period of prosperity India absorbed £8.8 millions of gold in 1911-12, £11.1 millions of gold in 1912-13, and £12 millions worth of gold in 1914. And had the war not broken out and had she continued the absorption of gold in the same ratio, we would long ago have been in a position to introduce a gold currency in the whole of India, because we require only 103 million worth of sovereigns in order to have a gold currency in this country. Had this ratio been continued, then probably we would have stocked gold by this time valued at over £400 millions. During this period the exchange ratio remained pretty steady and it never went below Rs. 3 20/32d. and it never rose above 1-4½d. It varied between these very narrow limits always and India had always the best of it. From the point of view of trade, it was also a very prosperous period when we always had a net balance of trade of exports over imports of about 52.2 millions. This balance was spent in paying Indian liabilities in England amounting to about £.25 millions and in the purchase of gold and silver for the payment of our exports. Then came the war and the Government wanted silver and gold for war purposes; they gathered all they could get hold of and introduced paper rupees. The Government began to collect all the gold and silver coins and the people became sceptical and persons who had some treasure with them buried it with the object of using it later on during adverse times. During the war the currency in India remained more stable than the currency of any other country, because we had a very prosperous period during the preceding 19 years. After the war, England along with other countries was in financial embarrassment and England wanted to use India's resources to solve her financial problems. They appointed a committee under the Chairmanship of Sir Babington Smith. Its recommendations were intended not so much for the benefit of India as for the benefit of England. Out of eleven members there was only one Indian, Mr. Dalal, and he wrote a note of dissent; and the policy he laid down is recognised even today as the most suitable and sound policy for India. I will just read one or two of his recommendations. He said:

"(a) The money standard in India should remain unaltered; that is, the standard of the sovereign and gold mohurs with rupees related thereto at the ratio of 15 to 1:

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(b) Free and unfettered imports and exports by the public of gold bullion and gold coins.

(c) Free and unfettered imports and exports by the public of silver bullion and silver coins.

(d) The gold mint at Bombay to be continued and to receive gold bullion from the public and to coin free of charge gold mohurs of the same exact weight and fineness as the sovereign."

* * * * *

(k) Government to sell Council Bills by competitive tenders for the amount defined in the Budget as required to be remitted to the Secretary of State. . . . Council Bills to be sold for Government requirements only.

(l) 'Reverse' drafts on London to be sold only at 1s. 3 29/32d."

These are the recommendations of Mr. Dalal and everybody today would admit that his proposals were very sane, and had they been followed, our financial position would have very much improved. While the Committee was sitting, the Government by executive action raised the exchange ratio. On the 12th April 1918 it was raised to 1s. 6d. On the 30th May 1919 it was raised to 1s. 8d. On the 12th August to 2s., on the 22nd November, to 2.2d. On the 12th December, 2.4d. And they even went so far as to sell Reverse Council Bills introduced in February, 1920, at 2s. 10 27/32d. That is the record figure at which they sold their Reverse Council Bills.

What were the reasons for all these things? At that time England had to pay gold to America in order to stabilise her own coin. They adopted a very clever policy, and though I do not speak with authority, I was given to understand by persons who understand finance that the Government decided to take gold from India by persuasive methods; and if persuasive methods failed then they would adopt other methods in order to collect sufficient gold in India to pay to America; they adopted a device which proved exceedingly successful; they lowered the exchange ratio to 2s. and they gave out that after a certain date the value of the sovereign would only be Rs. 10. On this most of the Ruling Chiefs and persons who had hoarded their sovereigns during the war found that the value of the sovereign would soon be reduced to ten rupees and thought it was much better to part with them for Rs. 15; and so a large number of sovereigns were sold to the Government at the price of Rs. 15 in the expectation that after a few months their price would come down to Rs. 10. Owing to this ill-advised policy of the Government, the whole trade was upset and the whole of the exchange policy was upset and commercial and financial difficulties ensued. Automatically the exchange ratio, instead of rising, came down to about 1s. 3d. and the Ruling Chiefs were very much annoyed when they saw that the sovereign, instead of going down to Rs. 10, went up to Rs. 16 and Rs. 18 and they thought they were shabbily treated by the Government. Government realised this position, and found that by the lowering of the exchange ratio, imports were falling rapidly, and on this account unemployment was increasing at home; and therefore they had no alternative but to increase the ratio again to 1.6d. This they did for two reasons: to please the Ruling Chiefs on one side and to solve the unemployment problem in England on the other side. They then appointed the Hilton Young Commission, which recommended just as we expected. I will just quote one or two of their recommendations. They

recommended that the legal tender quality of the sovereign and half-sovereign should be removed, that is, the sovereign and half-sovereign should not be recognised as legal tender. Next, the paper currency should cease to be convertible by law into silver coin. Next, the one rupee notes should be reintroduced and should be full legal tender. The next recommendation was that the stabilisation should be effected forthwith at a rate corresponding to the exchange ratio of 18d. Sir Purshotamdas Thakurdas who was also a member of this Committee wrote a strong note of dissent and he ended his note with this passage.

"The facts and figures that I have stated, and the records from which I have quoted, conclusively show that the Executive had made up their minds to work up to a 1s. 6d. ratio long before this Commission was appointed to examine the question. Indeed, they have presented to us the issue in this regard as a *fait accompli*, achieved by them, not having hesitated by manipulation to keep up the rate even while we were in Session. I cannot conceive of any parallel to such a procedure in any country."

And about the exchange ratio he said:

"A ratio moreover that stood for 20 years even during the American crisis, till 1917, and was only disturbed as a result of the War, in common with the ratios of other countries in the world, cannot lightly be said to be a ratio that is unnatural to the Indian currency system. No change is therefore called for simply because for the last ten months the Government of India have managed by artificial measures to keep the value of the rupee round about 1s. 6d."

This was the opinion of the non-official Member of the Committee.

Now, Sir, I come to the debate on the 7th March, 1927, on this particular topic. Sir Basil Blackett on page 1748 of the printed debates, when introducing the Bill, clearly stated that it was a transitional measure, and that it was not fixed for ever. His first argument was that Government as currency authority could not leave the matter to the play of the natural forces which must fix some ratio. Should we leave it at 2s. as it was then prevalent? That is the ratio must be *de facto* and not artificial. This was the argument he used. He forgot that what he called the *de facto* ratio was the ratio introduced by himself.

The next argument which he used, and which I call a theoretical platitude, because it is not a convincing one, was this:

"There would be a sharp rise in prices all round, a rise of approximately 12½ per cent., the greater part of which would naturally take place at once. There would be labour unrest and social and economic discontent all over India. What answer could the Government and the Legislature give to bankrupt merchants and traders whose misfortunes were entirely due to their action? What answer could the Government and the Legislature give to wage-earners, industrial, agricultural and commercial, whose real wages had been suddenly and arbitrarily reduced?"

I call this only a theoretical platitude. Pandit Madan Mohan Malaviya replied in an equal strain, and which I also call a theoretical platitude, by giving a quotation from Mr. Dadabhoy. Sir, I do not want to go into these platitudes, but four years have now passed away, and we can now examine the effects. We were promised by the Finance Member in 1927 that with the change in the ratio the agricultural condition of the people would improve. Now, Sir, I ask you, have these conditions improved? We were promised the improvement of industrial conditions? I ask you, have these conditions improved? Now, when we look into our imports and exports, we find that certainly our exports have gone from bad to worse.

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Sir, one very important argument that was brought forward on that occasion was the argument by Sir Victor Sassoon, and he gave in his illustration the example of the cotton duties. He said that it is perfectly true that out of Rs. 100 worth of cotton an agriculturist has to pay Rs. 22 for freight and 60 per cent. for production and the profit of other persons. Then the present profit to the cultivator is only Rs. 18. If the exchange ratio be 1s. 4d. and if the ratio be increased from 1s. 4d. to 1s. 6d., it really means that his profit will be reduced from 18 per cent. to 5½ per cent., because the remaining 12½ per cent. will go in the exchange ratio. This was pointed out four years ago, and we are in the same position today. But, Sir, really the income of the cultivator has diminished. The other industry which is hit very hard is the industry of hides and skins which I will take up later on. Sir, as I said, we were promised agricultural prosperity, but we are not having it. We were promised industrial prosperity, but we find that the mills are closing down every day. I should like to know which of these things in India has prospered on account of the rise in the exchange duty.

Sir, India is a debtor country. We have to pay a certain amount every year in England for our obligations and unless there is a clear balance of trade in our favour it is impossible for us to pay all our obligations and therefore the balance of trade must always be kept in favour of India. Sir, the Honourable the Finance Member may possibly say that the present dullness in the trade is due to world conditions. He may also tell us that it is due to internal troubles in India. I agree that both these things have really played some part in the general condition of the country, but certainly they are not the most important part, because we find that the general depression in India began long before the world depression began, our internal troubles were increased and augmented on account of the financial policy of the Government of India. I am given to understand by several important merchants that they were sick of the financial policy of the Government of India, and on account of the constant troubles they had lent their support to all the things that have happened in this country during the last few months. Sir, one important effect of our exchange policy has been a fall in export. I will give the House now the export figures for the last three years since we introduced the exchange ratio of 1s. 6d., that is, our export was then 319 crores 15 lakhs; it fell to 310 crores, and now in the coming year it is not likely to improve. Sir, if any one asks me whether it is profitable or not to have an exchange ratio of 1s. 6d., I would put to him this simple question of arithmetic. We all agree that on account of the 1s. 6d. ratio we gain 12½ per cent. on all the articles we purchase and we lose 12½ per cent. on all the articles which we sell. I think this is a fact which nobody can dispute for a moment. Now let us see how the balance stands. You take up the difference between the two. If we sell more than we purchase, then we are losers at the rate of 12½ per cent. on the balance. If we buy more than we sell, we are gainers by 12½ per cent. We find really speaking that the balance of trade is in favour of India, that is, we are selling more than we are purchasing: 81 crores was the balance of trade in 1927-28, 86 crores in 1928-29 and 79 crores in 1929-30. Now the total during the last three years of the difference of exports over the imports is 247 crores of rupees. Therefore,

India by means of the exchange ratio has lost on these 247 crores at the rate of 12½ per cent. I need not calculate the arithmetical figures, because any Honourable Member of this House can calculate.

The Honourable Sir George Schuster (Finance Member): May I interrupt the Honourable Member for a moment? I am sure I shall not have an opportunity for dealing with all the points he makes in my reply on this subject, but I would like to point out to him that he is dealing only with the visible balance of trade. He has left entirely out of account all the invisible items in the balance of trade, and if he contemplates a country going on year after year buying more than she sells, I am afraid that country would very soon be pulled down to complete financial ruin. Unless something is going to happen in the way of ruin, a country must maintain an even balance of buying and selling, but that balance must take into account all sorts of invisible items which cannot of course figure in the balance of trade which only deals with merchandise and actual physical things that are imported or exported. I suggest to my Honourable friend that, if his argument is that a high exchange ratio is of value when you buy more than you sell and that you lose when you sell more than you buy, then there is a third alternative, namely, that, if you buy exactly the same amount as you sell, it does not matter to you at all whether your exchange ratio is high or low, and that, I suggest to my Honourable friend, is exactly what represents the truth in this matter. In the long run, if you have a stable exchange, it does not matter to you in the least whether the level is high or low because the balance of your payments must be equal to the balance of your receipts, and in that I think unconsciously my Honourable friend has brought us to the pith of the whole matter in his technical argument.

Dr. Ziauddin Ahmad: If you ask me to take up the visible balance I have got the visible balance. The visible balance after paying India's obligations is given in the Report of the Controller of the Currency. It is in favour of India in the year 1927-28 by 11.93 crores, in the year 1928-29 by 10.72 crores, and in the year 1929-30 by 31.81 crores. So that the visible balance is also in favour of India. (An Honourable Member: "What is visible balance?") After deducting payments and other things which we have to make in England, we get what is called the visible balance of accounts.

One thing which our exchange ratio has hit very hard is the industry of hides and skins, and it has been brought to the verge of ruin by the export duty of 5 per cent. The value to India of this industry taken as a whole is about forty to fifty crores; it provides employment to large numbers of men, and is a factor in the economic well-being of millions of the depressed classes. There is scope for work in order to reduce the national waste (Hide Cess Committee's Report p. 169).

The Report also tells us that the larger percentage of exports consists of inferior grade hides from animals which have died a natural death, while the greater proportion of the hides of animals which have been slaughtered in slaughter houses is utilised by Indian tanners. Sir, we find that on account of this exchange policy of the Government, coupled with the export duty, which is really an insult to injury added, we find that the trade of the export of hides is going down very rapidly. In 1928 the export

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of cow hides was 4,125,908 Pcs, in 1929, 3,563,691 Pcs, and in 1930 it was reduced to 2,608,074 Pcs. The export of buffalo hides has been reduced from 741,662 to 401, 834. Sir, the effect in the case of the hide industry has taken the form of complete strangulation of the source of income of many thousands of the lowest classes of village-dwellers. These men, who are engaged in the collection of hides from fallen animals and the preparation of such hides for sale in the various markets throughout India are immediately and particularly unfairly affected by a drop in the exports to foreign countries. The position today is that the prices which the shippers can afford to pay for their hides are so low that, by the time the material has been railed to the ports and the profit of the Beparis been set aside, there remains for the village fayer a figure so small that it is no longer worth his while to collect the hides and cart them to the market. Relating to the exports of hides for the period January to October 1930, compared with the same period in previous years, although it is not possible to give a definite value for the loss due to non-collection, the fact remains that although the exports have dropped considerably, there are no accumulations of stocks in Calcutta or in the mofussil; and as the quantities absorbed by the tanning industry have also dropped, the fall in the exports represents approximately the quantity of raw material which is being destroyed. This destruction is a total loss to the country and the case for the abolition of the duty is clear when it is realised by Government that, with the removal of this tax, shippers to foreign markets of Indian hides will be in a position to compete with other countries producing similar goods, to the benefit of the collectors, the Beparis, the Aratbdars and the shippers. Following the unanimous recommendations of the Indian Fiscal Commission, the Government intended to abolish the export duty, but the efforts of the Government were frustrated only by the absenteeism of some of their nominal supporters. (Report page 143.)

Sir, this is an example of an industry which is on the verge of ruin by the exchange policy of the Government, and in the particular case, they not only adopted this exchange policy of 12½ per cent., but they put on an additional duty of 5 per cent. on all the hides exported from this country. What is the result? By this artificial putting up of 17½ per cent. on hides, India cannot compete with other countries in the European markets. We notice that the tanners in Germany and other countries have changed their machinery in order to take up the raw hides from other countries outside India. Other countries are helping this particular kind of industry by adopting various measures, but in this country, we first put up an artificial duty of 12½ per cent. on account of exchange and then an additional duty of 5 per cent. on the export of hides.

Now, there is the other question of wheat. We know that India cannot compete at present in the open markets of the world in the case of wheat, and this is also due to various factors. One important factor is that we put a duty of 12½ per cent. on account of exchange. We find that other wheat producing countries have reduced their exchange ratio for the benefit of their exporters. We want an import duty of 10 per cent. on wheat and not the export duty on hides and skins. In India we have taken action against her own interests, and therefore it is high time that we should now consider very carefully the effect of the exchange ratio on

the various industries, and especially the agricultural industries and revise it again, because, as was pointed out by Sir Basil Blackett, the Act was only a temporary measure and it was not an Act which could not be revised. I leave the question of the exchange ratio at this stage.

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadian Rural): May I trouble the Honourable Member before he leaves that question? May I ask him how he proposes to meet the argument that any attempt at revising it will land us in serious troubles? That is the real argument against revision.

Dr. Ziauddin Ahmad: In every change there will always be some temporary profit and some loss. I illustrate it by the duty of two annas on petrol. The moment the Honourable the Finance Member delivered his speech, the price of petrol was raised at every place in the whole of India by two annas per gallon and those who had imported it previously gained by it. During the period of transition, some persons will profit and some other persons will lose, but on the whole, the country will gain.

Diwan Bahadur T. Rangachariar: Have not matters adjusted themselves during the last six years?

Dr. Ziauddin Ahmad: That is what I called a theoretical platitude. This is the argument which Sir Basil Blackett used in 1927 and this is just what the Honourable the Finance Member would say. I have given the examples of these industries which are hard hit by exchange policy. I know the Finance Member will not agree with me and I cannot agree with him.

The next question which I take up—and I shall deal with it briefly—I know is a very difficult question, and that has been made intentionally a more difficult question. It is the question of the Reserve Bank. I have been reading the reports of commissions and committees from 1870, and there is not a single commission or committee about finance which has not written on the subject. So much has been written and said and so much time has been wasted on this subject and so much money spent, that it would be better to institute a fellowship for studying the whole thing and writing dissertations. When I studied this problem the impression produced on my mind was that there was only one point of difference. What the Government wanted was, that after establishing the Reserve Bank in India, the centre of gravity of the Indian finances should continue to remain in East London and the Indian who did not agree with this wanted to bring the centre of gravity of Indian finances from East London to Delhi and Calcutta. This was really the central point on which they brought forward all kinds of arguments, financial, political, and economical. Practically everything converges to this particular central point, whether the centre of gravity should remain in East London or be brought to India.

Now, I shall take up a minor point, and that is the question of unclaimed interest. The late Sir Haroon Jaffer, a member of the Council of

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State, moved a Resolution on the 16th February, 1927, which ran as follows:

"This Council recommends to the Governor General in Council that he may be pleased to take steps to make available for the improvement and expansion of Muslim education all the interest accruing from the deposits in the Postal Savings Bank and the Government securities belonging to the Mussalmans who did not, owing to religious scruples, receive interest thereon and that this arrangement might be given effect to in provinces in which Muslim public opinion is agreeable to this scheme."

I do not want to impress upon the Government today how the money should be spent, but I do implore them that this amount ought to be shown really in the Budget. They must give in every Budget the exact amount of the unclaimed interest which is left over in the hands of the Government. I do not propose to discuss how it should be spent, but I certainly do insist that the exact amount ought to be shown in the annual returns of the financial statement of the Government of India.

There are three more points which I shall not take up at present because I have taken more time than I ought to have taken and probably I will have further opportunities later on. I refer to the question of petrol, income-tax and the question of salaries. I do believe that the salaries in India are very high. I know that we have to provide these salaries in order to induce Englishmen to come to this country, but there is no reason why the same high salaries should be given to the Indians where the cost of living is very low. I think this whole question of scales of salaries ought to be revised. I have got the figures with me for various countries like France, Germany and England. In the light of these figures, it is highly desirable that the whole system of salaries should be revised. We can provide a special overseas allowance for those persons whom we employ from England. I am sure that no Englishman will care to come out to this country unless we pay him a salary higher than he could get in his own country. I realise that, and therefore we ought to have a special overseas allowance, but there is no reason why for the sake of about 5 per cent., we should give high salaries to the remaining 95 per cent., whom we can employ on a salary according to the standard of living in this country. We can pay any amount of overseas allowance from Rs. 250 to Rs. 2,000 per month. With these remarks, I beg to conclude my observations.

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at Quarter Past Two of the Clock, Mr. President in the Chair.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly Non-Muhammadian Rural): Sir, my Honourable friend, Dr. Ziauddin Ahmad, has been placing before this House materials from which could be prepared schemes for mental uplift. Now a man cannot live upon mere mental food-stuffs; on the contrary, he has got to live physically before he can attain to mental advancement. I therefore, Sir, with your permission propose

to lay before this House for its consideration the grievances of the agricultural population, which constitutes as we all know, 90 per cent. of the total population of India. Sir, I am one of them, and I am proud to be one of them. Sir, the first and the foremost thing that concerns agriculture is production. So far, I respectfully submit, practically nothing has been done in order to give a lead to the agriculturist to produce two blades of grass where he traditionally produced one. There have been lots of Commissions, there have been lots of Reports, and everything that you want in the shape of Settlement Officers' Reports and so on and so forth, but, in effect, it has all been of absolutely no use because I say no one has considered what are the conditions under which the agriculturist cultivates his land. In the first instance, his land is divided into such minute holdings that most of it is uneconomic. The first thing under those circumstances that he wants is a favourable season. So far, he is dependent upon God Almighty alone for that. Now assuming that he has got a favourable season, the next thing is that he wants water for irrigation, manure for manuring his land and seeds for sowing the land. Now under all these heads he is always short. There is no attempt to find out why it is that, year in and year out, he is not able to put by anything in order to make up for the very very scanty cultivation he can put forth. Now anyhow he starts ploughing the field and sowing the seed, but between God Almighty and the irrigation officials he gets just enough water in order to scrape through the cultivation, and then the harvest season comes along. His produce naturally is not quite so plentiful as he would like. But look at his difficulty. I am talking especially of the Madras Presidency. In the month of December or January, the Government *kist* falls in to be paid. The headman has got a schedule with him for Rs. 35 divided into four parts—December, January, February and March. He does not budge an inch. Supposing the man has got to pay Rs. 35, he has got to find Rs. 8-12, for the first *kist*. Where is he going to get that? He cannot harvest his lands because he has got to wait another month. But, then he has got to pay Rs. 8-12 all the same; and as there is no institution from which he can get this, he goes straight to the money-lender. Well, the money-lender drives a hard bargain. He says, "All right, I take two units for one". A unit in its proper time would cost Rs. 2,—the money-lender drives his bargain for a rupee or Rs. 1-4. The man cannot help it. The headman is going to distrain his cooking pots and utensils and other goods in his house. Therefore he negotiates with this money-lender and takes this Rs. 8-12 and goes home. The first trouble is over, the *kist* is paid. Then the harvest begins. Unfortunately there is such a dearth of agricultural labour that what remains after having paid the tax-gatherer he has got to pay towards the temporary labourers whom he has got to employ if his harvest is not to be damaged and must be gathered in time. So, Sir, the remaining portion of whatever he might scrape through gets into the pockets of the labourer whom he has got to pay. He cannot grudge it, if he must gather what little there is in the field. Now he goes home—and what is the satisfaction that he has got?"

A big Royal Agricultural Commission went all over the country, collected evidence, examined witnesses, but who were the witnesses? Among them were carefully engineered official witnesses, but not one man engaged in actual agriculture day in and day out, not one man who has suffered at the hands of the revenue officials, the irrigation officials, the police officials and other officials. There are the persons—carefully

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engineered men in Government service, people drawing Rs. 4,000 a month, people who go in special trains and reserved saloons and see on both sides of the railway carriage nice paddy fields, and say, "The agriculturist is prospering"—these are the persons whom the Royal Commission on Agriculture examined. If you care to look into these big volumes of theirs—about 23 of them in number—that the Government of India have issued, you will find that most of these gentlemen have absolutely no idea as to the real condition of these agriculturists. Now when the Royal Commission on Agriculture came to the Madras Presidency, I wrote to Marquess Linlithgow. I said I found from the list of witnesses that they were going to examine that there were not many people who were actually acquainted with the agricultural condition of the Presidency. And so if he and his party would kindly come in a special train to a certain place, then from that place right up to a circumference of 100 miles all the Members of the Commission would be my guests and I would take them over from village to village. I have lands in four of these villages and they would be able to see for themselves the exact condition of affairs. They need not spend one single pie, except the cost of their special train which I could not afford to pay. After some time I got a letter from the Noble Marquess saying that the programme had already been settled and he greatly regretted that it could not be altered, but that arrangements had been made to secure all kinds of interests to be represented before him. In this connection, Sir, I venture to place before the House the names of some witnesses who were examined by the Royal Commission on Agriculture. They were 26 in all. Out of this number, two came from Mysore, one was a Government lecturing chemist and another gentleman was a general scientific officer. Then they examined the Commissioner of Labour, the Director of Industries, the Director of Public Health, Representatives of Messrs. Berry and Co. and the Surgeon-General to the Government of Madras. These are the persons, Sir, who have been examined in an elaborate inquiry by the Royal Commission on Agriculture, a Commission which started touring about the country and which was to relieve the agriculturist of his distress. Because they examined such witnesses I gave them the invitation that I referred to and got the reply that I have already placed before the House. Well, Sir, we waited for this glorious Report for which, I believe, some 8 lakhs of rupees have been spent. And what is the result? There was a gentleman in Madras who occupied the position of the Director of Agriculture. He read the Report of the Royal Commission and made some weighty remarks. I do not know if Honourable Members have ever come across a small book called "Agriculture in India" written by Sir James McKenna, who occupied the position of the Agricultural Adviser to the Government of India some time ago. Sir, in 48 pages he wrote briefly all the endeavours that have been made by the Government of India in connection with agriculture during the previous 50 years. I believe his work is dated somewhere about the year 1920. Now, Sir, you will be surprised to hear that this huge Report of the Royal Commission on Agriculture is simply an elaborate paraphrase of what Sir James McKenna wrote in 48 pages. Sir, 8 lakhs of rupees have been spent on this Royal Commission. The mountain was in labour and brought forth a mouse. What Sir James McKenna wrote in 48 pages, the Royal Commission has spent 8 lakhs to find out and it has placed before us everything that we knew. They say that a Commission is an indirect way of

finding out what you already know. That is exactly what has happened in the case of this Royal Commission on Agriculture. But where are we? We were told one thing that all these agriculturists are wanting in thrift. Make them understand the ways of thrift and make them understand how to save their money and then you can make them prosperous. One of the most important witnesses that appeared before the Commission was the Member of the Board of Revenue in Madras. He was examined by Sir Ganga Ram who was himself very much interested in agriculture. He asked him, "Upon what basis do you say that the ryot lacks in thrift?" The first question that he put was: "Whenever things are favourable, do you think that the ryot has got very much to save in order to exercise his principle of thrift upon it?" He said, "No". Then followed a series of questions with which I need not weary the House and which extend over 4 pages of the evidence. Sir, it turned out in the end that the entire evidence is based upon mere guess work and nothing else. Everybody has said that the ryot is wanting in thrift and that is what we have got from this Royal Commission which cost us 8 lakhs of rupees. All this money had been spent on them in order to find out what everybody said already.

Then, Sir, what they said was that we should make the ryot feel that he wants more than what he gets. I do not think it is quite fair. Already he is suffering from want of funds to make both ends meet and you want to create more wants for him; how is he going to satisfy them? There is no way by which you could improve his land and by which you could improve his manuring capacity. I say that deliberately because it has been suggested for a long time that these manurial products should not be exported from India. There is some economic theory which we agriculturists do not understand. I suppose this theory has already been established in Europe, where these people sitting in their arm chairs and discussing commercial matters such as how products go from one place to another, say, that manure should go out from one place to another. This theory then travels to India from Europe and we have got to suffer from its result. They say that, so and so economist has come to the conclusion that manurial products should be exported. The result is that whatever manure I have got goes away in the shape of raw products. For instance, bones go away, oil seeds go away. The result is that most of our manure is gone. The resources for our cultivation have been snatched away from us and on the top of it all the value of the food grains has considerably gone down. Now, there is a small pamphlet which was circulated along with the Budget speech by the Government, in which the rise and the fall in prices has been given seriatim for the chief agricultural products of India. That is rather an interesting book to study. Therein you will find that there has been a heavy drop in prices for the last two years and absolutely no notice has been taken as to why it is so. If you go to the commercial man, he says it is due to the exchange, another man says it is due to world depression; you are suffering from the effects of the world depression. Between these theories it is impossible for us to find out what the truth is and what it is not. But the fact remains the same, namely, that we get on the average—I am now talking of the Madras Presidency—from paddy, which is our chief product, 35 to 45 per cent. less than what I myself got three years ago. But the Government demand continues the same. On the 1st December comes the tax-gatherer and I have got to shell out the money

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whether I like it or not. There may be a calamity like the floods, there may be a want of rains or the prices may have gone down, but we have got to pay the revenue to the Government. Now, I very respectfully ask, after these rather discursive remarks which I have made before this Honourable House, how are these agriculturists to live from the income of their lands? It is all very well for you to say that there is a village uplift scheme. If you saw that village uplift scheme, it would provoke laughter. What is it you are uplifting? The man cannot live; he has not got the wherewithal to protect his wife and children; he has no money to buy his clothes. Half a dozen people come with big flags and you have got to feed them in the village. You have got to find their necessities. What do these men do? They come and give me a lecture, come and lecture to a man who has grown grey in the services of the village, a man who knows the troubles of the village. Well, these people are collected, and there is a lecture given. He says, "Look here, you people must live very clean, you must drink pure water, you must have free air and so on". Well, do I not know all these things? For the past 18 hundred generations, we know that we require pure air and fresh and clean water. But where is the man who brings it? If I want one extra well, I am told there is **no money**. The Government looks into its Budget 1,800 times before sanctioning any amount. If such and such a village wants an extra well, the Government say, "No money". If you require armoured cars, or tanks, or whatever they are, you can easily find out the money. I do not understand these armoured tanks, they are motor cars to shoot down people. Sir, in my school days, I read a book on the "Study of Sociology" by Herbert Spencer. He refers to a traveller who at the end of the 20th century stands on the broken parapets of the London bridge and views the broken statues that are standing all along what used to be London in its palmy days and he was wondering what sort of civilisation the English people had cultivated, that is, the greater the man's cleverness in finding out means to wipe out from the face of the earth a larger number of people, the greater is the statue that has been erected to him. I want to know if any statue has been erected to any man who has really conferred benefit upon humanity. If you find out a poison gas, you have a statue erected in your honour. If you find out a new machine gun, or a smokeless way of firing a gun, you have got a statue in your honour. I do not complain of all this. You have got to live. If you want to defend your life, and property, there is the Kshatriya to do it. But how are you going to improve the condition of the people and how are you going to make them prosperous? Sir, according to our old ways in which the community has been divided, Manu in his Dharma Shastras divided people into four classes. The one class is the parasite, which is the beggar class. Another class is the half-parasite—mark my words—the half parasite, because it is in Government service, and does not contribute any thing towards the protection. (Laughter.) Manu classed him as the half parasite. The third class is the one that is between this half parasite and half producing. There is the fourth class, the producer. Then Manu sits up solemnly and says or enjoins upon the Government to protect that one-fourth man, otherwise your Government will go to ruin. I belong to that one-fourth and I form part of that 25 per cent. There is absolutely no good of setting up Royal Commissions, or saying that this Royal Commission has done a

great deal for the agriculturist. On the other hand a great deal still remains to be done. What is the great deal that you say has been done? You have spent money. If you take a concrete case, you have got what they call the single seedling transplantation. Now, three hundred years ago, we have been practising the single seedling transplantation in the Madras Presidency. It struck some gentleman, this brilliant idea of renewing this practice, and he did renew it. He got all the praise and all the glories for this suggestion. What we have all along been doing has been suggested to be renewed, and we had to spend money on these experts. It is not that the Government do not know what our real grievances are. What our grievances are the Royal Commission on Agriculture has very elaborately found out and they have given our grievances in a few pages of their Report. So much the better, and thanks for these small mercies. What is the remedy they suggested? The first and the foremost thing is the Research Institute. A Research Institute has come into existence. Of course you want experts. Without experts, you cannot go on. How do you know whether a certain manure suits a certain soil or not? Well, what does the expert want? I have got in my place four pages of printed instructions issued by this expert, and unfortunately I forgot to bring that pamphlet. What does the expert want? He wants me to send in a neatly packed up box samples of my soil which he is going to examine and tell me whether there is nitrogen, oxygen, or hydrogen peroxide, or whatever it is, in my soil or not. He wants to find out whether all those compounds, which I learnt in my school days and which I have since forgotten, exist in my soil or not. He is going to tell me after examining the soil. I challenge anybody to read out these four pages of the pamphlet from top to bottom and help me to take one single sample of the soil from my land and pack it for the examination of this expert. You cannot do it. It is hedged in by so many restrictions. If you make a single mistake, the expert cannot examine it. I am a foolish villager and of course I cannot pack the soil in the way that the expert wants and I am liable to make mistakes. If I do not pack it properly, the expert cannot tell me the contents of the soil.

An Honourable Member: Potassium cyanide.

Raja Bahadur G. Krishnamachariar: Well, it is rather dangerous. Of course, I dare say you are not going to bring it into this room. I hope my Honourable friend, if he wants, will try these things outside. I hope he knows that the man who tried to manufacture hydro-cyanic acid in his laboratory fell dead. But potassium cyanide may be a good thing for some other person. But we do not want it for an agriculturist. So, Sir, you have got all this question of research. You go to the agricultural chemist, he does not know what your soil contains, rather he wants you to fill up the blanks in the form which he supplies you and which I cannot fill up properly. So what I did was this. You may call it a mistake or foolishness. I wrote to this chemist and said, "Well, it does not matter, I will pay you your *batta*, you come and stay in my village for one week and find out the nature of the soil yourself. You can come personally and analyse the soil". This is what I wrote to him. Mind you the Government are not put to any extra expenditure; the Government are not paying his travelling allowance. I offered to defray his travelling expenses. I only asked him to come to my place and analyse the soil

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personally. He simply said, he could not go to my place because he had no time. In the meanwhile, what happened? Before Mr. McKenna wrote his treatise on the chemical composition of manures and so on; what had happened? It is a very interesting story. We have got several companies in our Presidency, and particularly there is one Messrs. Parry and Co. I am only citing this as an example. I have no grievance against any of the companies, either individually or collectively. These companies which deal in manures write out long pamphlets in which they explain that the millennium will come if such and such a manure is used. They send all these pamphlets to you for consideration. They ask you to buy their manures, of course, not without consideration. You pay so many rupees per maund and you buy those manures. You put these manures into your soil, and then you are assured that everything will come all right. If it does not come all right, the man who sells you the manure says, he could not help it. He attributes the failure to the deficiency in rain, or lack of irrigation facilities or the act of God. So at present in our Presidency they are selling these chemical fertilisers. We are called backward people. They say, we are not advanced and that the agriculturist is so conservative that he cannot take to new methods of cultivation. I will tell you exactly how these new methods work. These propagandists come to our villages with huge flags. Then the people collect. The agents of these manures tell the people, "We have got very good manures. If you purchase them and spend Rs. 4 on an acre, it gives you a much better outturn". The result is the poor villagers buy after paying down cash. After all, these agents do not give manures on credit. The villagers buy and put the manures in the field. But eventually the villagers do not get any return. Of course, as I said before, either it is the fault of the man who ploughed the field, or it is the fault of the Government that do not supply water, or it is the fault of God Almighty for not giving water at the proper time. However, we have been fooling ourselves about these fertilisers, and lakhs and lakhs of rupees have been spent in the Tanjore district of the Madras Presidency on these chemical manures.

Now, there is a farm in England which is called Rothampstead Farm. A great philanthropist about a hundred years ago endowed all his property for agricultural benefit, and that farm does a great deal of good work. And what did that farm find out? It found out that the chemical fertilisers, over which we have been fooling, spoil the land and deteriorate the soil and in order to be effective, there should be half chemical fertiliser and half animal manure. Now, Sir, I have spent lakhs and lakhs of rupees and all my money is gone. Was it not the duty of Government to find out and tell me that I should go in for half chemical fertilisers and half of animal manure? Somebody like myself who had nothing particular to do found this out from an article in the Agricultural Journal of India. It was printed in the newspapers and it created a row, and it looked as if there was going to be a breach of the public peace between the agent and the ryots over this. Eventually we all settled down after losing some lakhs of rupees on foreign manure. That, Sir, is the position regarding the Research Institute so far as agricultural chemistry is concerned.

There is in Pusa an Agricultural Research Institute. My friend Dr. Ziauddin Ahmad said, abolish all these advisory boards. Abolish first of

all that Pusa Agricultural Research Institute. In the course of the examination of witnesses by the Royal Commission on Agriculture, they were asked the percentage of rice cultivation throughout India—it is a fairly big percentage though I do not now remember exactly what that percentage is—and they were asked what steps they had been taking to secure research for improving the production of rice in India. And they said that rice does not grow in or near about Pusa, and so they never troubled themselves about it. But I have got to pay, and my grievance is that I have got to pay for it. If you had not asked me for money, I would not have troubled about it at all. On the contrary see what happens in other places. Italy is a rice-producing country; America, California, etc., produce rice. If I want material to find out how to get rid of insects in rice, how to manure my field, how to produce a better tilth and what sort of implements I should use, I have got to go to Italy. I have got a big bundle of literature in Latin or Italian and I cannot make head or tail of it. If I go to California, I get a bundleful of literature on rice and rice alone. That is the way to improve your agriculture. What have the Government of India done? They have got agricultural bulletins. I do not know if any Honourable Member of this House has taken the trouble to go through them. But look at the troubles we are suffering from. I want a book about rice and the entire Indian production is rice and nothing else. Now as a result of the Royal Commission on Agriculture they have got experts, and people go out all over the country and talk of the improvement of the sugar-cane cultivation. I have nothing to do with sugar-cane and I am not going to trouble about it. But if you look at the Report on the sugar-cane industry and see the way in which they have tried to improve this sugar-cane cultivation, you will find that there is a great deal of romance, and from my standpoint, there is a great deal of tragedy behind it. Not in one item, not in a single place have they tried to tackle the real grievances from which we are suffering. And yet practically the entire money that Government make is from our produce and from our labour.

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): But there is a South Indian gentleman on the Imperial Agricultural Research Council.

Raja Bahadur G. Krishnamachariar: That is by good fortune or ill fortune the worst of it. Sir, I thank my Honourable friend for reminding me of that fact. According to the Government of India, the man who occupies a high position in some place or other is fit for everything else in the world. Great people, clever University men, successful lawyers, first-rate mathematicians, good professors they are fit for everything else in the world. Only they cannot be doctors because the result may be something calamitous; nor can they build bridges because we shall all go down when travelling on the railways. But barring these two things, where they do not allow these people to come in, these Government officials are fit for anything and everything that you can lay your hands on. You start a new establishment and you at once appoint a man in the Civil Service or some other service. He may be of course an Indian but that does not make any difference so long as he does not know anything about these things. That, Sir, is one of the tangible results of the Agricultural Commission. Another thing is that, wherever you go, you have got an advisory board. I will not dilate upon this advisory board but there also you find the same story as in Dr. Ziauddin's educational board. Most of them are

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amateurs, and have absolutely no time to think and do anything except to go at public expense to the central station, talk and go. Sir Nizami in his *Sikadarnama* has got a very nice couplet which may be applied to these advisory councils, and I hope this Assembly will excuse me if I quote it:

*"Paye Mushawarat mahfil arasthand
Nishistand wo guftand wo barkhastand."*

"They all arranged for the assembly; the members came, sat, spoke and went away."

I assert that in 99 cases out of a 100 this is the sort of advisory council that we have been fooled with. And the worst part of it is that I have to thrust my hands deeper and deeper into my pockets in order to find money for these people. It breaks one's heart and how long can one go on like this? In short, I want what they say in Urdu, "*Thorasa likhna bahut samajhna*".

I am only giving a taste of what I am suffering from. I assure the House that, if they can give me three days and bear with me all that time, I can lay my grievances before them. The result is that I want that these things should be carefully considered and that the Honourable Members of this House should go into the details of each item from which the agriculturists suffer, because I call them the backbone of the country, and try to redress their grievances. On the top of it all there is the land revenue policy. There have been lots of things tragical, comical and romantic about this land revenue. When I go and tell Government that I am suffering from this excess of assessment they say, "You have been paying it from time immemorial, from the time of Manu". Of course, I have been paying. And there is one thing which I want to say here publicly from my place in this House, and I can say it without fear of contradiction.

The ryot or agricultural producer does not want to shirk his liability to pay what in the old Hindu days was the Raj bhag or the King's share. He does not want to shirk it. They say one-sixth of the gross produce; but Lord Curzon in his peculiar way of mathematical calculation worked it out to half of the net produce—I shall come to this later on. We have been paying one-sixth of the gross produce from time immemorial. We never objected to paying that. As I shall presently show, we are now paying 75 per cent. of the net produce, which is rather more than one-sixth of the gross produce in all conscience. But what is the return that we get? If you take as the Raj bhag one-sixth share, you must return to me some benefit. I would like to know what is the benefit you have conferred on me. What is the present condition? When the English first acquired the diwani in Bengal and later on these provinces, they had no clear idea of land tenure. They had imported from Europe ideas about their own feudal tenure and the way money was collected from the land. They tried to fit in those ideas with our land system; and the fifth Report of the affairs of the East India Company would tell you the story about the way in which these things were done in order to find out how best to adjust. Eventually, so far as Bengal was concerned everybody knows that they came to the permanent settlement. But so far as the Madras Presidency was concerned, they fluctuated between the permanent settlement and the ryotwari

settlement. What that ryotwari settlement is nobody knows. You ask Major General Sir Thomas Munro who started it, whose evidence is recorded before the Committee on East India Affairs, who says that although ryotwari holding is a direct holding with the Government, it is yet a permanent settlement in the sense that you cannot change it. But no, says the Government, that does not mean ryotwari settlement and that is what has been held in later despatches. Whether it is a permanent settlement or whether it is a periodical revision, one thing that is now within the plane of practical politics is their constant harassing unsympathetic way of revision of settlements. With regard to this revision of settlements, I will just read what happens. The settlement is generally for 30 years. The settlement party's visitation—not visit—over each portion of the country has been going on, and it has practically finished its labours; in one place it is a fifteen years' contract; in another place it is 30 years; in a third place it is 40 years. The settlement party goes into those places where there are fixed periodical settlements. The years roll on; another party comes and this is what happens. I am quoting from the Report of the Indian Taxation Enquiry Committee and I want this House particularly to note this:

"At the resettlement, which takes place at the close of the thirty years settlement period, the settlement officer makes a detailed inquiry into the economic condition of the district and then comes to general conclusions as to whether there is justification for a change of the rates, and bases his suggestions for alteration of the assessment mainly on these general inquiries and on the average variations in prices of food grains during the preceding thirty years. The frame work of the original settlement is not usually disturbed unless it is discovered that it is patently unsound. Under recent orders of the Government, whatever the enhancement that might be indicated by the enforcement of the half-net rule, it has been directed that the maximum enhancement will be limited to 18½ per cent. when the variation of rates consists only in a percentage enhancement based on the rise in prices."

If you take this paragraph bit by bit what do you find? "The settlement officer makes a detailed inquiry into the economic position of the district." You know what it is. He selects a typical village, or rather he writes to the Collector, the Collector writes to the Tahsildar and the Tahsildar writes to somebody else and they take hold of the best villages in their charge; they take very good care to see to that. The settlement officer goes there and goes about to find what is the yearly produce. The better sort of people know what all this is going to lead to and they make themselves scarce under the excuse of a marriage or funeral or something like that; and so they take hold of the landless man who sits on a *pial* in the village and weaves a theory of his own. This detailed inquiry referred to in the Report is from that man; and then he goes home and sends for the village accountant. This accountant is an extraordinary man; there is an old Tamil proverb which says that God Almighty first created the God of death, and there was a little bit of earth remaining in his hands; so he took hold of another person and called him the village *karnam* or accountant. That is the saying in South India. The village *karnam* goes to the settlement officer and gives him a magnificent account of the produce throughout the last thirty years, all verbal and all out of his memory. There is no doubt that man has got an extraordinary memory and if only he had chosen his proper sphere of life, he would have been a most brilliant man, however, he goes and gives him these details; and upon these details he makes out his assessment. Then there is the Sub-Registrar's record.

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That is rather a big document. It consists mostly of ways of making leases; I myself have made leases, but not in this haphazard fashion. They take hold of a man and ask him, for example, "How much will you give for these five acres that we want to lease?". He says "Rs. 100". They say, "No, no; you must give Rs. 200". Eventually they settle it for Rs. 100 actually, but I ask him to write out a lease for 200 rupees because there might be somebody else later on who might give them that amount. The result is that the settlement officer bases his recoveries upon this lease and says, "You realised 200 rupees of course from that man and so you can afford this increase in assessment and you are liable to it". That is the sort of inquiry that he makes; and if Honourable gentlemen will only refer to the Bardoli Enquiry Committee's Report—there is a whole elaborate 85-paragraph enquiry and so how can I trouble this House with that? I shall simply give you the conclusion of a distinguished judicial officer and a distinguished revenue officer, both of them Europeans—all honour to them.

"We are now in a position to sum up this part of our report. The question that was put to the Bardoli Enquiry Committee was based upon the allegation made by the Bardoli ryot that the reports accessible to the public did not contain sufficient data warranting enhancement, and that some of the data are wrong. We are bound to hold that the complaint referred to in point (b) of the terms of reference is substantially justified. The data in the reports apart from rental and sale statistics are obviously not sufficient to warrant either the general increases sanctioned in the maximum rates or the much higher increase in the case of particular villages. The rental and sale statistics have been carelessly compiled and demonstrably incorrect in a large number of cases, and in general must be regarded as completely unreliable."

This is only a sample. From the sample judge of the bulk. Wherever you go, whatever Settlement Officer might report, I challenge it, and I challenge it deliberately and without the least fear of contradiction, go to any Settlement Officer, this is the result. Only in Bardoli after 18 months' struggle, they were successful in getting a judicial officer who was able to go into the matter, and who came to the conclusion "in general must be regarded as completely unreliable".

I now turn to what the Taxation Inquiry Committee says:

"It is chiefly upon this detailed inquiry that the Settlement Officer makes that they increase the assessment."

There is one little thing that is very pertinent at this stage. After this inquiry, have you ever heard a Settlement Officer saying any time that no increment should be made in any village? The Settlement Officer's inquiry somehow or other leads him to the conclusion that there is scope for increase so much so that even the Government are some times scandalised that they themselves are either ashamed or astonished of their moderation.—I do not know what.—when they say that they do not want more than 18½. Detailed inquiries are wholly unreliable—result, increment, and there is always a percentage of increment,—based upon what? Rise in prices. Now, that rise in prices has got a little bit of story. Here again I am talking of the Madras Presidency. In the Madras Presidency, I believe Honourable Members know that in the ryotwari villages Government gives us what they call a *patta*. *Patta* is a document in which they enter our holding, and the rate at which we have got to pay our assessment, the total assessment due by us to the Government. It does not mean a single quota of a man's family, but it means the entire holding of one particular person whose

name is entered there either as the representative of the family or in his individual capacity. Now, Sir, when the Royal Commission on Agriculture were at their wits' end to find out materials, they were very angry with the Madras Government because they had not given them the summary of the conditions or the details of landholding and all that. However, eventually after a great deal of haggling, they were able to get the necessary materials from the Madras Government, and they found that there were five million eight hundred and seventy *pattadars* out of a total of 5 million 415 thousand 515,—that is the total number of *pattadars* in the Madras Presidency. Out of this total number of *pattadars* in the Madras Presidency, 5 million 870 *pattadars* pay Rs. 30 or less upon their holdings. Out of 5½ million *pattadars* roughly, 5 million pay Rs. 30 and less. Now, assuming Rs. 4 to Rs. 5,—it is very much more in the Deltaic districts of the Madras Presidency,—but even assuming that between Rs. 3 and Rs. 4 is the average tax of the holdings, and even supposing that all these people pay Rs. 30, which is not the case, out of these, 2 million 21 thousand *pattadars* pay below Rs. 10. Only 600,000 pay about Rs. 10 and below Rs. 30, assuming that, Sir, we have got nearly 9/10ths of the persons who hold land paying Rs. 30 and less upon holdings which are uneconomic. And what is the criterion upon which you justify yourself for raising the assessment? General inquiry and on the average variations of prices of food grains during the period of thirty years. Variations are all right. We all know of the Marwari who calculated the average depth of water in a river when it was in flood and who got himself washed away in midstream when he was in 12 ft. of water. But apart from that, what do you find? The average prices of food grains don't matter to him. Out of 5½ million *pattadars*, five million *pattadars* pay land revenue at the rate of Rs. 30 a year, which according to Lord Curzon's calculation, give him Rs. 30. Say it gives him some Rs. 60. What does it matter to him whether grains are sold at Rs. 8 or Rs. 2 a pallah. It does not matter to him at all, because he has not got any grain to sell. On the contrary, he has got to borrow in order to make both ends meet. Therefore, first of all the details collected by the Settlement Officers are all unreliable, because every time these officers come to a village there is an increase. If you ask them why they have done so, they say, "Oh, look here, look at the records. I must believe that your economic condition has improved".

That, Sir, is my grievance with regard to land revenue. So that, when all these grievances were placed before the Joint Parliamentary Committee, what did they say?

"The Committee are impressed by the objection raised by many witnesses by the manner in which certain classes of taxation can be levied upon the people of India by executive action without, in some cases, any statutory limitation of the rates and, in other cases, any adequate prescription by statute of the methods of assessment. They consider that the imposition of new burdens should be gradually brought more within the purview of the Legislature and without expressing any judgment on the question whether land revenue is a rent or tax they advise. At present the statutory basis for charging levy on the land vary in different Provinces; but in some at least the pitch of assessment is entirely at the discretion of the Executive Government."

Here you have got a little bit of buttering when they say, "No branch of the administration is regulated with greater elaboration or care"—thanks to the testimony borne by the Joint Committee. We have seen

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what the Bardoli Commissioners have said about the elaboration and care. Proceeding further the Committee says:

"But the people who are most fitted have no voice in the shaping of the system and the rules are even obscure and imperfectly understood by those who pay the land revenue."

Here perhaps I may be pardoned for saying that the rules are imperfectly understood not by those who pay the land revenue but by those who administer the land revenue. I have got certified copies to show, if anybody challenges me:

"The Committee are therefore of opinion"

and that is the operative portion of it upon which, Sir, I base my criticism:

"that the time has come to embody in the law, the main principles by which land revenue is determined, the methods of valuation, the pitch of assessment, the periods of revision, the graduation of enhancement, and the other chief processes which touch the well-being of the revenue-payers."

Now, Sir, I am one of those revenue payers. These statements were recorded 12 years ago in the year 1919. From that time onwards we have been trying our best to improve the system. Our friend Diwan Bahadur Rangachariar, with all the experience he has acquired during his forty years' experience at the bar in connection with cases arising out of land revenue matters, has not been able to shake the citadel of the Government of India and to make them agree to bring forward a declaration of policy not to increase these cesses at every settlement. It took six years for the Madras Government to move. They were pressed and eventually they brought forward a Bill. And what did that Bill consist of? It consisted of procedure—what a man should do, and what a man should not do, and at what time. That is all that that Bill put forward. The Joint Parliamentary Committee said, "Fix the pitch of assessment". "No", said the Madras Government in the first instance, and then they introduced a Bill. The Legislative Council would not look at that Bill, and it is one of the few instances where even leave to introduce was refused after two days full-dress debate. When it came to the Government of India—and here I have a direct grievance to lay before this Honourable House—the Government of India would not allow the rate of assessment to be placed before the Legislative Council before it is applied to the country. In other words, when a Settlement Officer says that there shall be a certain increase in the settlement rate of a certain district, it is final. English is a foreign language to me. I do not profess to understand it, and even after nearly 40 years' experience I think I am talking in the worst possible language that any man could hear, and what little I knew I have forgotten during my residence in a Native State. In spite of all that, I believe I can say that the passage that I just now brought to the notice of the House clearly shows that the rate of assessment must be within the control of the people—that at any rate, is what the Joint Parliamentary Committee said. "No", says the Government of India. The Government of India do not agree that the Legislative Council should fix the rate of assessment. Then why do you go to the Round Table Conference? I do not understand it. We have all been told, no taxation without representation. If the

Legislature is going to be responsible, and all that sort of elaborate thing—directly you say something, Sir Cowasji Jehangir stands up and fires away for half an hour defending the Round Table Conference, and Mr. Ramaswami Mudaliar stands up and fires away for three quarters of an hour, and all that sort of thing. But what is the result? I say, "Don't raise the assessment without asking us". "No", says the Government of India. Then, a question was recently put by my Honourable friend Diwan Bahadur T. Rangachariar, in answer to which, after all, the Government of India specifically and definitely stated that the reason why the Madras Government was not allowed to carry through the Bill was that they (the Government of India) did not agree that the rate of assessment should be within the purview of the Legislative Council. Unfortunately, Mr. Rangachariar was not here in order to pursue the subject. So, I myself took courage in both hands because I did not know how to put a supplementary question. I got up and with your kind indulgence I put a question, "Why will not the Government allow it?". The answer was, "Because they will not allow it". (Laughter.) Sir, in the olden days, when we used to go to our schools late, the master used to ask with a cane in his hand, "Why did you come late?". "Sir, time passed". (Laughter.) Similarly, the Government of India were told by the Joint Parliamentary Committee to put the rate of assessment within the purview of the Legislative Council. You decline to do it, and I ask you, "Why?". You say, "Because I will not do it". (Laughter.) And yet you are surprised that the people are not happy with you. And yet you are surprised that there is discontent in the country. 400 years ago, the greatest, the wisest and I am sorry to add the meanest of men said, "When there is sedition in the country there must be some cause for it. Remedy it and do not go and repress it". Those words should be written on the portals of the Government of India now. They must read them every day and see why it is that there is discontent in the country. Don't go after useless people. Don't go to the demagogue round the street corner who declaims against you. Why does he declaim against you? Because there is material for him to declaim against you. You deprive him of the material and his work is gone, and you can go on with your work. I go to one place and I get a declaration. In another place that declaration is nullified, and you must agree with me that I have a grievance against you when you behave like that. Here is my Honourable friend the Finance Member saying that he wants 13 crores more. He says, "I do not care how you are going to pay it, but we are going to have it". Then comes the income-tax. I am not going to enter into it now. I shall have something to say about the grievance we have got in that respect, but for the present I am not going to take the time of the House over it.

There is only one other statement that I crave leave to bring to the notice of this Honourable House, and that is an extract from the official oral evidence given before the Indian Statutory Commission. (Mr. B. Das: "This House boycotted that Commission.") But surely you are not going to boycott the facts that were collected. You cannot boycott facts. (Hear, hear.) There they are staring you in the fact. I am only concerned with them, and not with the Statutory Commission. (An Honourable Member: "It is a misstatement of facts.") This is only about the voters. Out of the total number of voters, i.e., 1,280,000, 90 per cent. roughly come in through *pattadars*, and of this 90 per cent., 75 per cent.

[Raja Bahadur G. Krishnamachariar.]

pay less than Rs. 10. That is the position. That is the condition, that is the way in which the people are ground down in poverty.

Sir, I have in a sort of discursive way tried to place before the House facts in connection with the economic condition of the agricultural population, especially relating to Southern India, and I very respectfully ask the House that, before, it agrees to those items of taxation which would be placed before it, it should insist upon these things being redressed by the Government before agreeing to any such proposals. (Applause.)

Mr. B. Rajaram Pandian (Madura and Ramnad *cum* Tinnevely: Non-Muhammadan Rural): Mr. President, it is with a feeling of painful disappointment that I heard the deficit Budget presented by the Honourable the Finance Member. I had given notice of a token cut motion regarding kerosene oil in the Budget discussion, but some of my Honourable friends, who had given notice of similar cut motions, had already spoken about it, and hence I did not move mine.

Now, Sir, this is a matter in which every poor home is affected. In olden days, we had other oils, such as castor oil, for the lamps, but after the advent of kerosene, even in villages situated far remote from towns, you see, Sir, in every home kerosene lights. It has become a necessity in every day life, and without it, it is impossible for people to manage. In some places, where fuel woods are scarce, people use kerosene as fuel. In the rainy season, even in rich men's houses, they use kerosene first to light a stove, and in similar other ways. You are aware that in India most of the population are villagers; 80 per cent. of the population are agriculturists and are considerably poor. You are also aware that people are faced with a very gloomy situation owing to general depression all over, owing to floods due to excessive rainfall, and heavy damage to the crops and several other causes. The political unrest in the country also has contributed to a certain extent. This deficit Budget has taken the country by surprise, and every one is shocked. Every one is much agitated over these additional taxation proposals with a view to meet this deficit Budget. The enhancement of income-tax and super-tax has considerably affected the commercial class. Enhancement of taxes on luxuries will affect the middle class men. The increased duty on kerosene and sugar will affect every poor home. Sir, I would like to know who will feel pleased over these taxation proposals. Several Members of the House have abundantly given expression to their views on this unfortunate situation and at the same time have suggested several ways and means to meet this deficit country. The Government have come forward with a proposal of a Retrenchment Committee and many Members of this House, out of their own experience of committees, have clearly expressed the view that these committees have not improved matters to an appreciable degree. If I am permitted to suggest, Sir, I would suggest for the consideration of the Honourable the Finance Member that a further enhancement of taxes on the import of foreign liquors could be made and increased export duty to the extent of 25 per cent. may be levied on raw skins and 20 per cent. on raw hides. My Honourable friend, Mr. Jamal Muhammad, very clearly spoke the other day on the Budget speech about the proposed enhancement of export duty on raw hides and skins. I have received telegrams from the following important institutions,—The South Indian Liberal Federation, City Branch, South Indian Chamber of Commerce, South Indian

Merchants' Association, Tanners' Association, Dindigul, Skin Merchants' Association, Trichinopoly, and from the Calcutta *mujlis*, expressing their disappointment over the new taxation and asking me to place their grievances before this House, and to the Honourable the Finance Member for due consideration. My Honourable friend, Lala Hari Raj Swarup, elaborately spoke about the dumping of sugar the other day in the Budget discussion and carried his cut motion. Therefore, Sir, we have with all the vehemence that we could command to place the matter to the best of our ability before this House for due consideration and I cannot support the Bill as it stands.

Kunwar Raghubir Singh (Agra Division: Non-Muhammadan Rural): First of all I wish to congratulate the Honourable the Finance Member on the lucidity of his expression in moving the Bill, and the completeness of the literature supplied to us but I will request him to see that this sort of literature should be supplied to us a little earlier, so that we might be able to study it and then give expression to our feelings in this House. The unfortunate feature of the proposals of the Bill is the taxation proposals. Now, Sir, the efficiency of a Government can be judged by its credit and by the efforts to reduce taxation. Mahatma Gandhi also laid stress on two things. The first was a change of heart, which fortunately seems to be forthcoming, but the second, the reduction of taxation, is not forthcoming. The position is worse because the Finance Member proposes a tax on several things, for example kerosene oil, which will hit hard the poorer classes, and this is a very good reason why it should not be levied. The betelnut tax also will fall under this category. The silver tax also comes third in this list. On account of its cheapness, poor people wanted to buy small articles of silver, but now they are debarred from doing so. Thirdly, I would point out that sanitation has not received sufficient attention nor village uplift, which are very necessary concomitants of Dominion Status. I would not prefer the destructive propaganda in Europe by Mr. F. L. Brayne, M.C., to the constructive work like that of Mr. P. W. Marsh, C.I.E., for village uplift. There is the question of economy which has not received sufficient attention. Fourthly roads. The condition of roads in my constituency is generally very bad. Particularly in Muttra and Mainpuri districts it is worse. When foreigners visit our country, do they like to praise your work and efficiency? No. Mr. Brailsford, a Member of Parliament, who visited the Mainpuri district recently speaks in very disparaging terms of the condition of the roads in the Mainpuri district. These things should be remedied before you hand over.

Retrenchment in the Army is the crying need of the hour. Do you think that by stopping the construction of some barracks here and some barracks there you will serve the purpose? No. The Department of Education of the Government of India should take more interest in the correction of the mistakes of new and reactionary Ministers than they have hitherto done. Lastly, I will appeal to the Honourable the Finance Member not to increase the income-tax, and instead reduce the Army Budget by at least two crores.

Mr. Jagan Nath Aggarwal (Jullundur Division: Non-Muhammadan): I wish to draw the attention of the House to the problem of income-tax, which is a serious problem, Sir, for the present year. I trust the House will bear with me when I take it back to the early times when this tax first came on. The first all-India Act which applied this tax on incomes was in the year 1886. Right down from that year to 1918, this tax was

[Mr. Jagan Nath Aggarwal.]

assessed not by a specialised Department but by tahsildars and Deputy Commissioners, and it was assessed practically on certain general principles, laying down almost a flat rate. If I may say so, it was a case of benevolent assessment. There was no question of very close scrutiny, looking into accounts and so on. You had to pay your tax with an occasional increase if you were found to be flourishing. In that way, it was a period of benevolent assessment. When the war came on, the yield from the tax was not found to be sufficient. Every year, it was pointed out that the income-tax yield was wholly insufficient for the needs of the country and then this specialised Department was brought into existence. First, the super-tax was added as a war measure. Now, Sir, it would repay to make a comparison. In the Budget figures for 1931-32 my Honourable friend, the Finance Member, has budgeted for 18.49 crores. For the last year, the figure was 15.79 crores and for the year before it was 16.70 crores, so that we are now in the neighbourhood of 16 to 18 crores under the heads of income-tax and super-tax. This is the second head of Government revenue, the highest being Customs which comes to 55 crores. How has income-tax come to be so important a source of revenue to the Government of India? We might just look back. If we start with the year 1911-12, we will find that the income-tax revenue calculated in pounds was roughly 1 million 642 thousand odd. Translating this into Indian money, we get roughly 2.40 crores. 20 years ago, we had an income-tax of nearly 2½ crores. There was no super-tax then. It gradually increased in 1912 and 1913. It was about 2.6 crores. In 1913-14 it was about 3 crores and in 1915-16 also it was about 3 crores. Now came the period of increase in 1918-19. Then we had something like 11 crores. The exact figure was £7,700,000. In 1919-20, the figure was 15 million pounds, something higher than even what we have today. That was soon after the war and it was about 22 crores. In 1920-21 we had £11 million, something like 15 crores. Now, Sir, we have seen how it has been gradually working up during the 20 years from Rs. 2 crores to Rs. 18 crores.

Now, Sir, we have to see, if this income-tax which is going to make a serious inroad on private incomes is not a serious problem for the middle classes. Now, I wish to examine the question whether the increase in the income-tax, the recent increase according to modern principles, has kept pace with the modern principles of assessment also. In other words, is the Honourable the Finance Member only to apply the rate according to modern conditions and not to apply the modern machinery of assessment or modern principles of taxation in applying this tax? Now, Sir, the first thing to which I would invite the attention of the House is that there is a distinction under the English law between earned and unearned income and earned income is treated differently from unearned income. Let me just examine the provisions a little bit more closely. A man living on the profits of investments, on money earned or inherited from the past, is treated in our country in the same way as a man who is living on his wits, being either engaged in the professions or making money by trade or otherwise. Now there is a world of difference between the two. The one has simply got to live, has got only to be there to make his earnings,—the other has got to work; and there is no justification for treating the two in the same way. There is, Sir, precedent for my contention in the English law. They say in England with regard to earned income, one-tenth—this was in the year 1923 and I speak subject to correction as to what has happened later,

perhaps there has been better relief—one-tenth of the income is deducted before you arrive at the taxable income. Is that principle applied here? About this relief to the middle classes, to the worker, to the trader, to the professional man there is no mention, not even a whisper from my Honourable friend, the Finance Member, that he is going to treat earned income in any such fashion.

Now, Sir, when we come to the various heads of exemptions and allowances under English law, we find a large number of them. We find, that there is firstly this allowance on earned income; then you have an allowance for your family, wife, children and dependants. If you have a wife, you are allowed a certain allowance. This was in that year for which books are available in the Library, viz., 1923. Thus, if a man is supporting a wife, he gets an allowance of £225. Then if he has one or more children of school-going age at school or in the university, he has an allowance of £36 for the first child and £27 for every other child. If people in this country are taking steps to educate their sons, and daughters as well, then it is only right and proper that the person with a fixed salary or the professional man should be shown some concession for the way in which he is discharging the responsibility that lies upon him of educating the future citizens of the country. Now, Sir, if you do not have a wife in England you have also provisions for relief. If you have a house-keeper to look after your children, you are given certain allowances; and what is more, if you have a dependent mother or somebody else, whom you have to support—and the corresponding classes here have a very large number of dependants as a rule in this country—a certain allowance is granted. Now this provision has absolutely been ignored here. I therefore say it is a matter of disgrace that when you are going to raise the income-tax—which was formerly administered, as I said, in that benevolent way and which was just a paltry sum which came to the coffers of the Government and thus it was a matter in which people might not have had much to say—when the income-tax is going to be such a huge thing, when it is going to be direct taxation amounting to something like 5 crores more if the present Bill is passed, I submit it is a matter for serious consideration why all these exemptions, all these allowances, all these remedies I have cited should not be seriously considered by the Honourable the Finance Member.

Now, I come to another aspect of it. The question of these exemptions was mentioned also the other day by an Honourable Member of the European Group when he said that the first portion of this income up to a certain limit should be tax-free. That again is a problem. One can very well understand that when you are taxing a man's income, obviously some part of it which is used by him is not saved, and for that reason it is recognized in the advanced systems of administration that the first part of an income up to a certain limit must be treated as tax-free, or the rate of tax on the first part of an income (in England £225) is half the rate. Now, Sir, that is a very excellent suggestion and that is a principle which the Honourable the Finance Member might seriously consider, because we all know that 80 per cent. increase is going to be made in the case of the lower incomes, and 60 to 40 per cent. in the case of others. Now the point to which I wish to draw the attention of the House at this stage is the position of the ordinary landholder in this country. According to the principles in force in England, a man

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living singly pays according to a certain formula and is granted an exemption; a man living with a wife has a certain exemption; a man living with and supporting children and dependants has a certain exemption—what is the position in this country? You have the case of the joint Hindu family. Let us see if my Honourable friend has treated them fairly. If one person is living with his wife and children, he has an exemption; but what, if two persons are living with their wives and children? How is the Finance Bill going to treat them? It treats them by taking the incomes of the two and lumping them and then forgetting all about them. Is that a fair way of doing it? If you had two partners, and they were registered as a partnership with the Department you would only take the incomes according to their shares for purposes of taxing, and there is relief afforded in some ways. If a man is living with his wife and children, he gets all sorts of allowances in England; if two persons are living as partners, they get allowances even here; but what if two or three persons happen to live as branches of a joint Hindu family? The joint Hindu family, Sir, is an institution which has not disappeared in the course of generations; and I take it that the Finance Member is very well aware of its existence because he makes provision with regard to it under super-tax because he takes the initial limit for its tax at Rs. 75,000 as against an individual's Rs. 50,000. But he makes no provision for this Hindu family when you know that one branch, two branches or three branches may be living together because of the great sentiment that joint families should not be broken up, and I ask, where is the point in ignoring this vital principle? If two people live together, you allow them certain concessions, but if two members of the same family live together, you make no provision. I submit that is absolutely unfair; and when you have recognized this principle in the higher reaches of the income-tax administration, you must do so in the case of the lower reaches as well. I take it that it is far from the intentions of the British Government to penalize Hindu families and to disintegrate them. If that is not the case, then it is only fair and just that you should take a note of this also, that in the lower grades of the income-tax scale, the existence of the joint family should be taken into account, and according to the number of persons comprised in it, you should tax them according to their proportionate share. Now, Sir, there are various other matters which would press hardly on the assessee. One or two such were mentioned the other day. One concerns the commercial community and relates to the important question of the carry-forward of losses. As we all know, under the English law we have income-tax assessed on the basis of the average of three years. A man has an extraordinary income in one year, he probably has no income the next year, and a small income in the third year,—and you have the system of averages, and you are not treated unfairly. It goes year after year on the average of more than one year, but the difficulty here is that you may make a profit in one year and pay income-tax and the next year when you have incurred a loss you will be left severely alone. If in the next year you begin to make money, you will be taxed again on it regardless of the loss suffered in the past. The man who has suffered the loss has to meet it out of income but the income-tax people do not take this fact into consideration. This carrying-over of losses is a proposition which may be looked into.

Next, Sir, I come to a very important matter, namely, the matter of depreciation. Unless we have some sound principles, the administration of the law tends to repress industry and to stop the growth of trade and manufacture. Now, Sir, the ordinary law does not make any provision for the excessive working of mills. It is a matter which has come into prominence only recently that factories can work day and night. The ordinary principle of depreciation is that you can allow a certain percentage taking the factory to work 8 or 10 hours a day. But the depreciation will be much greater if it works day and night. No provision is made for such cases, and some provision should be made in this direction also. Now, Sir, in this connection the only redeeming feature that one can find in the Income-tax Bill which has been introduced by the Honourable the Finance Member is that he is going to catch the foreign investments of people in this country and he has tried to get them into his net.

Sir, I have pointed out a few of the heads under which improvement is very urgently needed in the administration of the law. Now, I come to another important subject, namely, the machinery of assessment. That is a subject on which a good deal can be done and ought to be done before long. Now, Sir, the present position of this centralised Department of the Government of India is that the tax is assessed by the officers of the Government who are appointed by the Central Board of Revenue. Appeals are heard by them and it is only when a question of law arises from the appellate decision that a reference can be claimed. The only outside body that can have any say in the matter is the High Court, and that only on a point of law. The facts are final so far as the Department is concerned, and the assessee cannot claim any outside body to sit in judgment to hold the scales even between the Department and him. In a matter like this, it is not only important to do justice and to be fair, but to have the appearance of being just and fair. When it is a question between the taxpayer on the one side and the tax levying agency on the other, it is of the highest importance that you must have a third party in the show. In this connection, I could not do better than quote the opinion of the Punjab Government, which was pronounced in the year 1923 when they reported on the working of the reforms. I am quoting from the Reforms Inquiry Committee's Report of 1923-24, pages 202-203. My Honourable friend opposite, Sir Fazl-i-Hussain, was then a Member of the Punjab Government and this note of the Punjab Government will repay perusal:

(At this stage Mr. President vacated the Chair which was taken by Mr. Deputy President.)

"There is another matter of general importance in which considerable difficulty has been experienced, the administration of the Income-tax Department. With the principle of a specialised department for assessment of the tax—especially in view of the more intricate form which the law now takes—there can be no disagreement. But the method of assessment, and the attention given to objections and appeals, have an important bearing on the political attitude of the monied classes. There was no feature more noticeable in the disturbances of 1919 than the sudden emergence of these classes as a political factor, deeply interested in the *Satyagraha* agitation; and it was recognised at the time that their change of attitude was due in part, at all events, to the recent enhancement of income-tax rates."

[Mr. Jagan Nath Aggarwal.]

I hope, Sir, my Honourable friend opposite will not have to face this situation this year.

"Under the present system, the local Government is liable to receive, and does indeed actually receive, complaints regarding the personnel and attitude of the Income-tax Department. It is obliged to confess its inability either to superintend or interfere with their operations. This was a danger which was forecasted by some local Governments when the system was introduced, and experience in the Punjab shows that their attitude was not unreasonable. It is difficult to suggest a remedy; a specialised department is necessary and should be under specialised central control. It is possible that a solution might be found in providing an appeal to the Courts on questions of fact as well as law. The people of this country are not yet prepared to accept the position that a department interested in the assessment and collection of revenue can properly provide the final tribunal for deciding on the correctness of questioned assessments."

These are the words of the Punjab Government and were pronounced eight years ago, that the final word in assessment should not be left with the Department and that we should have a third party to hold the scales even between the assessee and the Government. Now, Sir, with regard to this, it is as well to turn to the example of other countries. And in this connection I would just draw the attention of the House to the way in which these assessments are made in England. I am now quoting from Sanders' "Income-tax and Super-tax" and on page 2 of this book we find the following passage:

"Practically the sole conduct of Income Tax administration is entrusted by law to Commissioners, of whom there are two bodies—the Local Commissioners and the Special Commissioners. The former bodies are distributed throughout Great Britain in divisions of varying size, while the latter have offices in London and hold meetings in certain centres. . . . The taxpayer may exercise the option of assessment by either body of Commissioners, but, comparatively, assessment by Special Commissioners is seldom resorted to."

Then comes the important part:

"The local Commissioners are in no way interested in the amount of Revenue produced under their jurisdiction, and their duties are to see that the scales of justice are held fairly between the Inspector of Taxes and the taxpayer; and, in order to carry out the original intentions of the legislature, the Commissioners are allowed, for all material purposes, despotic discretionary powers on matters of hardship."

That is a matter to which I wish to draw the attention of the House. Here is a body from which you can claim assessment as a matter of right and who are entirely independent of the Board of Revenue and who are absolutely unofficial people. Further on we find:

"The District Commissioners are *absolutely* independent of the Board of Inland Revenue and of any other Government department, except in irrelevant details such as increasing the number of Commissioners."

That is an important aspect of the assessment and of appeals therefrom. In a way the position is that from their decision it is often the collector of income-tax who claims a reference to the High Court just as the assessee can also do. I shall make one more quotation from another book called

"The Income Tax in Great Britain and the United States" by Spalding. On page 248, I find the following statement:

"The General Commissioners are theoretically responsible, in their respective divisions, for the assessment and collection of the tax. They are entirely independent of the Board of Inland Revenue, and are local, unpaid officers. There are about 5,600 General Commissioners in the 725 divisions into which the United Kingdom is divided. They are nominated by the Land Tax Commissioners, ordinarily from their own numbers. How the Land Tax Commissioners are nominated is a matter of mystery! The 1920 Royal Commission made an effort to fathom this mystery, but with no great success."

In a way the proposition that we have now before us is that they have devised a system by which you have an independent body which goes into these points of assessment and also which hears appeals in these matters. If that is so, then a good deal of the hardship caused to the people is generally avoided. I submit that as we are going to alter the whole basis of the income-tax, and as we are making an extraordinary increase, it is time that we changed the fundamental basis also of allowances and deductions and of the machinery of assessment. We have seen that in the previous year we had a slight increase in income-tax and there were loud protests on the floor of the House, and this year we are budgeting for an increase of no less than 5½ crores. I submit that this is such a serious and alarming proposition, this income-tax Budget is such a heavy Budget, which will press on the middle classes and the wage earning classes, that immediate steps should be taken in the present Income-tax Bill by the Honourable the Finance Member to mitigate the hardships that will be caused to the people. In this connection, there are a good many provisions of the Finance Bill which one may examine, but I take it there will be time enough to discuss them when the various clauses will be coming up for consideration. Therefore, I will leave it for the present at this. (Applause.)

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, first of all I will offer my sympathetic consolation to my Honourable friends, Dr. Ziauddin Ahmad and Raja Bahadur Krishnamachariar, for tilting their two lances, the lance of education and the lance of agriculture against the grinding mill of taxation of the Honourable the Finance Member. The Honourable the Finance Member has no mercy for education, nor for agriculture. He has the machine of torture—the mill of taxation. It is the machine of inquisition that goes on grinding the masses so that they can be squeezed out of life. Sir, the *Statesman* characterised the Budget as a Swadeshi Budget. My Honourable friend, Mr. Arthur Moore, is not present here, but I believe he was the writer of that article. I should think the Honourable the Finance Member brought out a Swadeshi Budget; if I could thank him on behalf of those that will occupy the Treasury Benches two years hence, I do thank him on behalf of those gentlemen that will replace him. Every new Government will be faced with new taxation and the Honourable the Finance Member has solved that problem and has so raised the taxation that the increased expenditure that will be required under a democratic Government,—as the Honourable the Finance Member himself mentioned it on another occasion—they will meet it from the heavy taxation which has been levied by the Honourable the Finance Member and for which he does not get any credit today from this side of the House, but he will indirectly get credit from those that will succeed him there. My Honourable friend, Sir Fazl-i-Husain, who is now smiling, I hope, will

[Mr. B. Das.]

come by the other door and be a Member with us on the other side. Sir, since the Honourable the Finance Member made his announcement about the Retrenchment Committee, I have heard that there has been negotiation between the Honourable the Finance Member and the Leaders of Parties, and I understand that the Honourable the Finance Member has already changed his views about the scope of the enquiry of that Retrenchment Committee. I understand that negotiations are going on so that the Railways and the Army should form part of the enquiry by the Retrenchment Committee. If so, then I whole-heartedly support the idea of a Retrenchment Committee.

Another thing is this. Whether the Retrenchment Committee should consist only of Members of this House, and as the Honourable the Finance Member has subsequently conceded, a seat should be given to a Member of the other House, or better still there should be experts from outside from the country, these are matters which are to be settled between the leading Members on this part of the House and the Honourable the Finance Member. If this Retrenchment Committee is going to enquire into the Railways and the Army, the question arises whether there should be an official who has certain experience of the finances of the Army on that Retrenchment Committee and also, as the Honourable the Railway Member is so anxious that his affairs should be examined by experts—I believe he means technical experts—a technical man with railway experience may be added to that Committee, so that they can all go into the question of retrenchment thoroughly and comprehensively. But the Committee will not do any useful work, unless it has on its personnel an eminent Indian financier, who is not a Member of this House and who will carry on the necessary watch and compel the Government Departments to produce the necessary documents, which they are often chary enough to produce. If this Committee is at all going to come, it must sit soon and it must produce a Report by August or September next so that its recommendations are taken advantage of by the Honourable the Finance Member in retrenching his expenditure during the next six months of the Budget of 1931-32 and also in the next year's Budget. If that Committee chooses to report in March or April, 1932, then there is no necessity for that Committee to work, because those who will succeed the Treasury Benches will not get any material help, and as the Honourable the Finance Member has limited the scope of the enquiry of that Committee, and said that it will not go into the policy of the Army and the Railways and the Services, it will be better that the Committee should not materialise. But if the Committee will report by August next, then I whole-heartedly support the idea of a Retrenchment Committee.

I give now certain points which the Committee ought to examine and whereby the expenditure can be reduced. In 1922-23, there was the wild cry of the Services that the index of prices had gone up and so they got the Lee concessions, whereby they got certain overseas allowances and increments in their salaries. The Honourable the Finance Member himself produced a Blue Book in which the Director of Statistics has shown that the prices have fallen. While the Honourable the Commerce Member spoke on the Railway Budget, he said that the prices had fallen only for the Indians and not for the Europeans, but I do not agree with him. But the statement which the Honourable the Finance Member has produced shows that there is a drop in prices in the index figures for those who live

on the European standard of living also. Therefore I say, without going into the policy whether at present there can be a reduction in salary of the services from what was fixed by the Secretary of State at the time of recruitment, the Committee can reduce straight away all allowances in the shape of overseas allowances, Lee concessions and special allowances, and I would go to the extent to say that if the Committee cannot reduce these high rates of salaries for the superior services, there is really no use of appointing a Retrenchment Committee. Then, Sir, there is the abnormal increase in the number of special officers whether in the Army or in the railways or in the civil side and they all get abnormal allowances. All these allowances should be revised and reduced. If they are to be given certain allowances, then let these allowances be fixed on the same scale as they are in the provinces. Let the allowances be fixed at Rs. 150 or Rs. 250. I know instances in the Railway Board where special officers get allowances as much as Rs. 700 or Rs. 1,000 per month when they do some special work. This is not economy but this is waste of public money.

About other points of retrenchment, I would suggest only one Department, that is the Public Works Department, which is generally known as the Public Waste Department, of which my Honourable friend, Mr Shillidy, is in charge. Everybody knows that when Mr. Montagu visited India, he expected that 6½ crores of rupees would be spent on the new Capital of Delhi, but we now know that so much as 14½ crores were spent on it. I want to know what happened to the huge staff of Chief Engineers, Executive Engineers, Superintending Engineers that were employed under the P. W. D. Have they been discharged? I do not know and I do not believe that any staff has been reduced. They have all been absorbed in the P. W. D. to look after the drains and roads and building repairs of Delhi and the North-West Frontier Province civil works. There must be retrenchment in the P. W. D. and some of the posts of Superintending Engineers and Chief Engineers and Executive Engineers should be abolished. The whole of the Delhi Public Works Department can be managed by a Superintending Engineer or an Executive Engineer with a few Assistant Engineers. That is a side of retrenchment which the Committee ought to look into.

Then the other day my Honourable friend, Sir Joseph Bhore, pointed out that the Committee of my friend, Sir Cowasji Jehangir, which is going to look into the Postal Accounts will look also at the side of Postal retrenchment, and my Honourable friend, the Finance Member, also said that. But I said that there is no scope for that. I said the other day that already the Postal Department is going on with an increment of salaries owing to a mistaken policy to which, on account of appeals from this side of the House, Sir B. N. Mitra succumbed; and they have given a scale of salaries by which, as my friend, Sir Joseph Bhore, said, the expenditure of the Postal Department would be increased by another 50 lakhs. So I suggested about three years ago, and I suggest it once again, that the Postal Department should take steps to have combined post offices. The Postal Department already has Postmasters General who combine both telegraph experience and postal experience. They have got a combined man, a telegraph man, who controls the post office and the telegraphs, in Bombay and also I think in Burma. They should adopt that policy whereby certain high officers' posts can be abolished. Not only that, but

[Mr. B. Das.]

even in the smaller post offices, if they have combined post and telegraph offices, much of the staff can be reduced. Of course in the Postal Department, as my Honourable friend, Sir Cowasji Jehangir, will find when he goes into the details, there is a particular vested interest, the vested interests of telegraphists in Bombay and Calcutta as confined to the Anglo-Indian community. That is a thorny question, but that is a question which should be gone into, and it should also be considered whether a certain number of posts should be specially reserved at high salaries for a certain class whereby the losses of the Postal Department run into high figures. I may also mention the trunk telephone extensions whereby much loss is still being incurred. That point also should be gone into by the Retrenchment Committee.

Sir, about railway retrenchment we discussed it thoroughly at the time of the Railway Budget, and I hope the Retrenchment Committee will go into those criticisms and suggestions which were advanced from this side of the House.

As regards the Military Department I am glad that the Finance Member has thrown it open to be examined by the Retrenchment Committee. There are many special officers who knock about in Simla Army Headquarters with special allowances. It is well known that very recently British Army officers have had their salaries reduced by 8 or 10 per cent. I should like the Committee and also the Finance Member to examine whether similar reductions have simultaneously taken place in India and whether the allowances that Army officers get in India are not abnormal. I do not want to refer to the capitation charges because those will be altogether matters of policy which I hope my Honourable friend, Sir Cowasji Jehangir, will look into when he visits England for the next Round Table Conference.

Sir, I pointed out one thing in connection with the Railway Budget and I point it out again today. I find that as we are nearing the day of the transfer of control from the Treasury Benches to Indians, the expenditure on the non-voted side is going up abnormally. I challenged the Railway Department and at last after two or three challenges Mr. Parsons was pleased to say that they have no hand in it but it is the Secretary of State's order that the salaries of certain officers should be transferred to the non-voted side. I find the same thing in the Finance Member's Budget. I find that under Customs, from 2 lakhs 88 thousand it has gone up to 3 lakhs and 53 thousand; under Income-tax it has gone up from 2 lakhs 43 thousand to 4 lakhs and 12 thousand. I am comparing the figures of 1930-31 with those of 1931-32. Under Salt it has gone up from 17 thousand to 36 thousand; under Ports and Pilotage from 6 lakhs 55 thousand to 7 lakhs odd; under Meteorology from 39 thousand to 88 thousand; under the Indian Stores Department—which was supposed to be completely under the administration of this Legislature—it has gone up from 45 thousand to 1 lakh and 90 thousand; and I find that in the headquarters of the Indian Stores Department it has gone up from 36,700 to 1,48,000. Under Ecclesiastical, which is a Department which nobody wants, and which is completely non-voted, the expenditure has gone up from 29 lakhs 95 thousand to 30 lakhs and 17 thousand; and under Foreign and Political, which is my friend Mr. Acheson's Department and where he can spend anything he likes, it has gone up from 1,87,000 to 2,34,800.

Is it that the Secretary of State who sits at Whitehall wants not only that those Europeans who were recruited at home should be protected but that certain Anglo-Indians and country-born Europeans who were recruited here for subordinate posts should be also linked up with the non-voted side, so that when we get the control we will not be able to reduce their salaries or posts or ask them to leave their posts when we find that they are unfit for their posts? This is a very dangerous principle that has been introduced, and at a time when the control of the purse and power is going to be transferred from that side to this side.

Sir, I will now go into the system of new taxation. My friend, the Finance Member, has introduced various taxes. The other day my friend, Mr. Heathcote, suggested certain new taxes. He felt very sorry that income-tax was going to be put up and he suggested that *pan* should be taxed. Of course I did speak on it that day but since then I have studied the problem thoroughly and today I will say that the Finance Member can safely reduce the taxation which he has proposed under Income-tax and certain other heads and can increase the taxation under certain other heads. Sir, I suggest that there should be an equalising duty on kerosene oil. The Finance Member said last year that he has gone half-way in the matter of raising the excise duty on kerosene; I thought he would this year go the whole way. He went half-way last year and brought up the excise duty nearer to the duty on import. If he had got that figure equalised and kept at the figure of 3 annas I think the Finance Member would get another 52 lakhs more. Then I suggest to him that he has not put any excise duty on lubricating oil. Last year he found that there was no excise duty on the silver that is produced in India and he brought up a Bill before the House to do away that irregularity. But why not levy an excise duty on lubricating oil manufactured by the Burma Oil Company and the Attock Oil Company? Why not levy an excise duty on those lubricating and other oils? They are used mostly by rich people, like factory owners, millowners and motor car owners, and they can very easily afford to give a little bit more extra money and from this my Honourable friend can at least get another Rs. 5 lakhs, if not more.

I suggested the other day, and I again suggest, that my friend should put a duty on veneers and match splints. He knows that today the Swedish Trust, which is working in India, is proving to be a dangerous rival to the Indian match industry and that it imports not only planks and logs but also splints and veneers cheap. I think these duties can be doubled and my friend, Mr. Shankar Rao, can tell the Honourable the Finance Member how much extra money will come in thereby. The duty can be doubled or even trebled—I do not mind; but this Swedish Trust is proving to be a menace to the infant Indian match industry into which the Tariff Board was asked to inquire, but no action was taken by the Honourable the Commerce Member.

About kerosene I may say incidentally that I am supported in my suggestion by Sir Walter Layton who does not feel that an equalising duty will be a hardship to the oil industry in India. The subject was thoroughly discussed last year and my friend, Sir George Rainy, said that those oil industries were getting very huge profits—30 per cent. or more on their capital—not the original capital but on those shares which they have got as bonuses

The Honourable Sir George Schuster: Can the Honourable Member tell me exactly what his proposal is, at what figure he proposes to equalise the duty?

Mr. B. Das: I would suggest to equalise both—either at 2 as. 3 p. or at 3 annas because the Honourable Member is hard up: I do not mind which; because as I said, the Congress will come in next year or the year after and any heavy taxation at that time will make them unpopular in the country.

I am grateful to my friend, Mr. Jamal Muhammad, who presented the difficulties about the tanning industry of India. The currency policy of the Honourable Member's predecessor has reduced the 5 per cent. duty on export of hides and skins to nothing; it does not give the tanning industry any protection. If the Honourable Finance Member really wants any money, he could have put 15 per cent. or even 20 per cent. duty on hides and skins and thereby he would get a pretty good sum.

An Honourable Member: You mean an export duty?

Mr. B. Das: Yes.

Another Honourable Member: And kill the industry altogether?

Mr. B. Das: We must protect the Indian tanning industry and shoe industry and that is what the Madras tanning industry is trying to do. I am speaking on behalf of the Indian tanning industry and I am not speaking about the Indian skins merchants who make a little money by exporting skins

Dr. A. Suhrawardy (Burdwan and Presidency Divisions: Muhammadan Rural): The interests of the Madras people or the interests of the Bengal people?

Mr. B. Das: In the interests of Bengal I hope the day will come when my Honourable friend will not appear in a pair of foreign shoes, but put on shoes manufactured in Bengal. I think Bengal is producing a good number of shoes in her own tanneries: there is the Bengal Tanneries and a number of other companies

The Honourable Sir George Schuster: If the exporters make only a little money, as my Honourable friend says, will he tell me how I shall be able to raise a large sum of money by raising the export duty?

Mr. B. Das: I think the Finance Member knows better than I do. At present he is getting 27 lakhs. At 15 per cent. he will get something like three times that or perhaps a little less

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): How much tanned leather do they make against the export of skins?

Mr. B. Das: I am talking on behalf of those who want an export duty levied on Indian hides and skins. We want the Indian tanning industry to be self-supporting. In India there should be sufficient boot and shoe factories and they should not be competed with by foreign shoes imported from America or England. That is what we want.

For this year I have suggested only these five methods of taxation which will not affect the poor man; nor will they affect the lower middle classes, but at the same time they will bring in a large sum—probably a crore and a half or two crores to the Honourable the Finance Member's coffers.

I do not want to discuss anything about the ways and means Budget which my Honourable friend, the Deputy President, discussed the other day so elaborately and so ably. I was not present that day but I read last night the reply of the Finance Member and I am sorry I could not agree with him, although he accused the Honourable the Deputy President that he was biased with the views expressed in the Indian Finance. I do not know whether the Finance Member realises that the situation is getting very alarming. As my friend, the Honourable Mr. Shanmukham Chetty, said, his Paper Currency Reserve has gone down to 5 crores, and I do not know whether he will leave a solvent exchequer to his successor, the Congress Party, when they occupy the Treasury Benches, but, Sir, it is a very alarming position and I entirely agree with every word that fell from the Honourable the Deputy President. The Finance Member has done India a great honour by saying on several occasions that India's credit stands high; but what is the use of talking of India's credit when India's reserve is almost wiped out? Whether the process that Mr. Chetty suggested is right or not, some process must be adopted so that the Paper Currency Reserve should be increased. It is no use leaving an empty exchequer to his successor who will not be an Englishman as he knows right well and then damn him by saying that with the Congress coming into power India's credit went down. That is the charge which the present Finance Member should answer and not his successor.

Sardar Sant Singh (West Punjab: Sikh): Sir, being a new Member of this House and not being accustomed to tackle these vast problems of money, I naturally feel shy to contribute my quota to the discussion on the Budget. There are certain points in the Budget which strike a new man as if the whole of India is out of order. On the very first year of his coming to this Honourable House, one finds that there is a deficit of over 17 crores of rupees. This big figure frightens one away, and one begins to feel as to how it is that this country is being administered. Looking at the thing from this point of view, I find that four things strike me in studying the Budget. These four things are, that the military expenditure of this country is beyond the means of the people of this country. It is a colossal figure,—55 crores to be consumed by the military people of this land where there is no disorder and where there is no fear of any foreign invasion either, and yet a large part of the revenues of this land is being devoured by a giant in the shape of military organisation

Captain Sher Muhammad Khan Gakhar (Nominated Non-Official): Most of it goes to your community.

Sardar Sant Singh: Oh, yes, it does go to them, but if you take up paper and pencil in hand and calculate, you will find that my province and my community and your community combined do not get even a fraction of all the expenditure that is spent on the military. Most of it is devoured by the British troops which are known as the troops of occupation or as some call them, internal security troops. You and I get a very small part of it.

[Sardar Sant Singh.]

The second point which strikes me is that the form of administration which is carried on in this country is highly extravagant. The pay and salaries of officials both on the civil side as well as on the military side are on a scale which cannot be found in any part of the world. I base my conclusion on comparison of the per capita income of an Indian with the per capita expenditure on administration.

The third point which strikes me is that there has been a vast increase in taxation since the reforms were introduced in 1920. During the last decade with the exception of two years, we find that there have been a series of deficit Budgets, and they have all been met by raising taxation to the maximum capacity of the people. Now, my submission is that when the taxation is increased to a great extent, one certainly begins to question whether the administration that is carried on on such a lavish scale does anything to raise the average income of an Indian. Has it raised the average income of an Indian during the last decade? These are questions which require to be considered carefully. With regard to the first point, the chief source of income of an Indian is agriculture. Sir, I do not belong to the agricultural community. My friends who belong to the agricultural community have demonstrated the hollowness of the steps taken by successive Commissions of Inquiry appointed from time to time to increase the productive capacity of the cultivator. Though I am not a cultivator myself, yet my own dealings are with the agriculturists, and I find that the agriculturists are going down economically.

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

I come from a district which is considered to be the most prosperous district of agriculturists where irrigation has made life easy for the cultivators. Even in this district it will be found that during the last year or so the income of the agriculturists has gone down considerably—where at one time prosperity reigned, there is adversity today. People are reduced to much misery, and it is with very great difficulty that they have been able to meet the land revenue demand for the *Kharif*. From my own constituency I have received complaints to the effect that in one case land revenue has been paid by the cultivator by mortgaging his children. I can give the name and address of this person. This is how revenue has been paid this year. In one case there was nothing but an earthen pot left in the house of a cultivator, the rest he was compelled to sell in order to pay the land revenue. Now when such conditions prevail in a part of the country which was the most prosperous in the whole of India, what would be the conditions elsewhere? I do not know why the administration is sitting quiet and is feeling happy, when the whole country is burning. What has the administration done to help the agriculturists? That is the question. The other day when the general discussion on the Budget was going on, pointed references were made to the condition of the agriculturists, and it was expected that the Honourable the Finance Member would say something in his reply as to what he proposed to do to improve the condition of the agriculturists in India, but to the great disappointment of all of us, not a word was said about the agriculturists, not a reference was made in the whole of his speech. The whole complaint was quietly shelved for reasons best known to the Government. Now, my submission is that, unless some help is forthcoming in

the near future for the agriculturists, the conditions in the Punjab at any rate will go from bad to worse. The conditions that prevailed in the Punjab may best be illustrated by quoting a few passages from this book entitled "The Punjab Peasant in Prosperity and in Debt" by Mr. Darling. At page 20, after discussing the condition of the peasantry in the Punjab, he sums up the results of his statistical study as follows:

"It now only remains to sum up the statistical results of this very statistical chapter, and in doing so we should remember that they are essentially tentative. They are as follows:

1. Only 17 per cent. of the proprietors of the province are not in debt.
2. Mortgage debt is probably not more than 45 per cent. of the whole.
3. Average debt per indebted proprietor is Rs. 463.
4. Proprietors' debt amounts to 75 crores or 15½ times the land revenue, and total agricultural debt is 90 crores, or 19 times the land revenue.
5. The larger proprietor is more highly indebted than the smaller, but the latter is more heavily involved."

Now about the tenants he says:

"Debt is almost as widespread amongst tenants as amongst proprietors, but it is much lower in amount, averaging only Rs. 150 per family."

The total agricultural debt of the province averages Rs. 31 per cultivated acre, and Rs. 76 per head of those who are supported by agriculture.

This is probably less than a year's gross income, and in the case of proprietors it is roughly equal to three years' net income of their land.

Annual interest charges amount to over 15 crores, or nearly three times the total land revenue of the province."

Now, Sir, these are the conditions in which the agriculturist is living in the Punjab. With the high indebtedness and with the present low level of prices of agricultural produce, one would not wonder if the administration, which does not care to look to the interests of agriculturists even in the light of all the facts placed before them by their own officers, may find agrarian disturbances breaking out at the next harvest. If no adequate steps are taken to raise the prices of agricultural produce, it will be almost impossible for the peasants to meet the land revenue demand of the next harvest. A modest approach was made by me to His Excellency the Governor General to get His Excellency's sanction to move an amendment in this House for levying an import duty upon wheat which is being dumped into the ports of India by Australia and other countries, but my application has been declined with the remark that His Excellency the Governor General is unable to give sanction to move the amendment. This creates a serious situation, and I will tell the Honourable the Finance Member that, in order to do something for those who are providing him with the sinews for carrying on the administration, some steps should be taken to raise the level of prices of agricultural produce. (Mr. B. V. Jadhav: "And make foodstuffs dearer.") Dear foodstuffs will mean more prosperity and not less, because you cannot change the land revenue system. If you are to reduce the land revenue proportionately, if you are to reduce the prices of other things proportionately, then you can certainly say that a lower level of prices of foodstuffs means prosperity for the general population of the country. But if the land revenue remains the same, if the other taxes remain the same, if the salaries remain the same, in that case, how can you expect any cultivator to meet your demands?

[Sardar Sant Singh.]

Now, coming to the military expenditure, I beg to submit that this has been a complaint of this House for the last ten years, and yet no steps have been taken to remedy the evil. The only thing which gives me some consolation now is that the Honourable the Finance Member has accepted the suggestion that the proposed Retrenchment Committee should go into the question of the military expenditure as well, but with this proviso that the question of policy will not be touched. This is a big proviso, but I hope that, in order to reduce the burden of taxation, some concession, some indulgence will be shown to the Retrenchment Committee to go into the question of policy wherever that does not stand in the way of the security that the country enjoys from foreign aggression or internal disorder.

The next point to which I attach a good deal of importance is the most extravagant system of administration that is still being maintained in India. On this point, I may refer to the speech of the Honourable the Finance Member at the time when he introduced the Budget. In paragraph 50 of that speech he at any rate recognises the prevalence of this complaint. He says:

"A good deal has been said and written on this subject lately, and attention has been directed to reductions in the pay of Government servants which have recently been effected in other countries. The subject has also been ventilated in the discussion on the Railway budget, so that, to that extent, I am not treading on new ground in this House. It is an extremely difficult subject and one on which clear thinking is essential."

Further on, in paragraph 51, he says:

"It is often brought as a charge against British administration that India, a poor country, has been burdened with a heavy load of pay for costly officials at the top, specially British officials, and that the money required for education and other beneficial services, cannot be available until this burden is drastically reduced."

In these two paragraphs the complaint is recognised. The justification offered by the Honourable the Finance Member is in the next sentence. He says:

"If the matter is to be discussed on these lines, it is essential to be clear as to the facts."

And what are those facts on which the Honourable the Finance Member wants us to be clear? Let me read further from the same speech:

"But perhaps at this point, I, as one who brings an outside vision to bear on this subject, may be allowed to express the view that no country has ever had more devoted and self-sacrificing work, or, to descend to material grounds, better value for her money, than India has had from her Civil Services."

Well, the House will excuse me if I demur to that statement of the Honourable the Finance Member. In the old days, when people had not been awakened to their rights and did not complain about repression which was practised here and there, there was no trouble; but as soon as education advanced and the political rights came to be realised, it was discovered that this very Civil Service had entirely failed in discharging its duties towards the people of this land. It is largely writ on every phase

of administration of the country. The great poverty that is prevailing in the country today is the result of its administration. The disturbances of 1919, and later on, of 1923, and the disturbances of last year—are they not due to the inefficiency of the Civil Service in this country? They are. Why go so far back? Take the case of the civil disobedience movement, to which it is being said the present deficit Budget is due. May I ask the Honourable Members opposite, when they have conceded the principle of the Round Table Conference this year, why did they not concede it in 1922, 1923, 1924, when the demand was made by popular leaders like Pandit Madan Mohan Malaviyaji and Pandit Motilal Nehruji from the floor of this House? Why did they not concede that when they knew that the country was discontented with the present system of Government? When the Calcutta Congress gave one year's ultimatum to the administration that they would declare complete independence as their goal if steps were not taken to give a further advance in the reforms, why did the Civil Service wait till November 1929? And why was a halting reply given to Mahatma Gandhiji when he demanded certain assurances before going to the Round Table Conference? If they had vision and imagination, they should have recognised the people's rights in time, and thus—I think most of the trouble would have been avoided. Then what happened during the last year—a year which I consider to be a year of Ordinances, when ordinary laws were as a matter of fact put aside and extraordinary laws promulgated? The members of the Civil Services committed blunders in dealing with the situation in the country; why should they not be made to pay for the deficit that has occurred on that account? If the Secretary of State sitting in England, or His Majesty's Government in England, did not realise fully the significance of the movement in India, why, Sir, should not the English exchequers be made to pay for the deficit that has occurred? The Honourable the Finance Member praises the Civil Services and says that they have given a good account of the salaries that they have been getting. Ah! I will illustrate it further by referring to what happened during the last year? A man goes to sleep without being conscious of having committed any offence. He wakes up in the morning to find himself a criminal. He committed no act during the night and was guilty of no omission. Then why and how did he come to be an offender? He is met with the reply that an Ordinance has been issued declaring the Naujawan Bharat Sabha an illegal association and that he was a member of it when it was not illegal to associate with it. Is it not a fact that hundreds, if not thousands, of young men were sent to jail, without knowing that they had been declared to be members of an illegal association. Protest after protest was raised before the trying Magistrates, but thanks to the combination of executive and judicial functions in the same officer—the Magistrate took no notice of legal objections, because a Magistrate in the mufassil is nothing but a recorder of the decrees of the executive. The judicial officers sentenced men to varying terms of imprisonment, till the High Court pronounced all those convictions to be illegal. May I ask whether the Government of India was sleeping then? May I ask if the members of the Civil Service did not care to issue the necessary instructions, to see that the people understood the position when the Ordinances or the announcements were made? All this suffering was brought about by the lack of grasp of the situation by the members of the Civil Services and the same thing is happening today. After the settlement with Mahatma

[Sardar Sant Singh.]

Gandhi has been brought about, the Provincial Governments are not carrying out the instructions of the Government of India. I recently visited my place, and I found that many *satyagrahis* are still in jail, who are in some cases not guilty of violence at all and in others if they are guilty of violence at all it is technical violence alone. One illustration I want to place before this House. Certain young men got into a court room after the Magistrate had left the court. One young man sat in the chair and they held a mock court. One became a Public Prosecutor, one a defence counsel. The mock trial of the Magistrate was held. The public prosecutor pressed for the sentence of death to be given to the Magistrate who was the accused. The defence counsel argued that, because he was in the pay of the Government, he was bound to carry out the orders of Government. The person sitting in the chair said, "All right. Because he is an Indian, I do not want to give him the extreme penalty of law. I will send him to seven years' imprisonment". This was the mock trial. Then the police came and there was a hue and cry. The room was surrounded, and although the whole thing was only a play and a freak, those persons have been put in jail and they are in jail up to now. There was no violence and yet they have not been released. After all they only wanted to ridicule justice. Whether they did it rightly or wrongly, that is not my concern but one expects to treat it as a political case and those men have not been released in the liberal spirit in which the agreement was to be worked out. I have got five other cases with me in which the settlement has not been worked in the proper spirit. Therefore, I even now say that this praise bestowed on the Civil Service—that they are discharging their duty as public servants—is not the right sort of thing to say. I demur to this. I say that even now, when we are passing through a transition period and a period of negotiation—I do not know what may be the outcome of these negotiations—it is only simple honesty that both sides should keep to the spirit of the agreement and release the prisoners. I am not speaking of Lyallpur alone. I was reading the *Tribune*, the leading paper of my province, and I find that this is the general complaint in the Punjab, that the political prisoners have not been so far released. I bring this to the notice of the Treasury Benches so that they might remedy the evil even now. My friend, Mr. B. Das, tells me that the same complaint prevails in Bihar also. Not only this. There is one case in the North-West Frontier Province. I put a question about Tota Singh, who was interned under the Frontier Regulation Act. Though that question was put on the 11th February, 1931, the reply was only communicated yesterday. The reply is worth perusing. The facts of that case are that one Tota Singh was interned. He was not informed of the charge against him. He was not tried. He was sent away from Peshawar and interned in a village called Lukki in Bannu district. Questions were asked as to what were the charges against him, whether he made several applications to the North-West Frontier authorities, whether his letters were acknowledged, whether he was given any reply. What was the answer? The answer is a typical answer. It was this:

"Four representations were received from Tota Singh, the main object of all of which was to secure an increase in his allowance. In his first petition he made no mention of his ignorance of the offence for which he had been interned and there was no suggestion that the order was unjust."

as if it was for him to say that—

"In his later petitions, he protested his innocence but no reply was sent to these as there was no reason to believe that he was not fully aware of it."

Now, this is the sort of answer from the administration which is directly under the supervision of the Government of India. They admit that no reply was sent because the office in the North-West Frontier Province presumes that Tota Singh knows the charge. Now, there are only two ways of knowing it—firstly, by the warrant of arrest, and secondly, by the charge being read over to him. This is not alleged. Then there is a third way of obtaining information surreptitiously. How does the administration know that he knew the charge? Is it not a simple courtesy for any administration to acknowledge the letters received, especially from a person who is being detained without trial? The last portion of the reply is still significant:

"He was interned on the 30th May 1930. The Regulation under which he was interned ceased to be in force with effect from the 9th March 1931. The reply to the third part of the question is in the negative, and the last part does not arise."

and the last part was,—

"How long has Tota Singh been interned now, and when do Government intend to release him?"

There was no reply, though the Regulation ceased to have effect from the 9th of March, 1931. The ordinary law is that when a Regulation or Ordinance ceases to have the force of law, then *ipso facto*, automatically, the offence goes away and the person charged is entitled to discharge or acquittal. That is a very simple proposition of law. But in this case the reply is not that he has been released or he has not been released. There is no such reply. The reply is that the Regulation has ceased to exist, and the answer to the third part—whether Tota Singh offered to be tried by a judicial court—is in the negative and certainly the next question did not arise. Now my submission is that even now, whatever Tota Singh's fault is—and the fault stated in this reply is that he tried to interfere with the loyalty of the troops, that he attempted to undermine the loyalty of the troops and at a critical time inflamed feelings against the Government—now without trial, one cannot say how far this accusation is true, and how far it is wrong, but if the Administration has not material enough to put the man on trial, they should take the very first opportunity to release him when the general atmosphere is better and the danger is gone. But nothing of the sort has been done.

Mr. President: Order, order. I should like to ask the Honourable Member how long he proposes to continue.

Sardar Sant Singh: For half an hour or more, Sir.

Mr. President: The House will now adjourn till Eleven of the Clock tomorrow.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 18th March, 1931.

LEGISLATIVE ASSEMBLY.

Wednesday, 18th March, 1931.

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

QUESTIONS AND ANSWERS.

REPRESENTATION OF THE CENTRAL LEGISLATURE AT FURTHER MEETINGS OF THE ROUND TABLE CONFERENCE.

997. ***Diwan Bahadur T. Rangachariar:** Will Government be pleased to state whether they are taking steps to secure an adequate representation from the Central Legislature at the further discussions as to the framing of the future constitution for India at the Round Table Conference? If so, what are they?

The Honourable Sir George Rainy: The question is one which falls primarily within the province of His Majesty's Government and not of the Government of India, whose function is confined to drawing the attention of His Majesty's Government to all considerations bearing on the matter which seem to them important. They are aware, however, of the strong feeling on the subject which exists among Members of the Legislature, and they have brought the matter to the notice of His Excellency the Governor-General.

GRANTS FOR EDUCATION, ETC., GIVEN TO THE NORTH-WEST FRONTIER PROVINCE AND AJMER-MERWARA.

998. ***Rai Sahib Harbilas Sarda:** (a) Will Government be pleased to state in the form given below the grants given or promised to be given to the North-West Frontier Province by the Government of India:

Year.	*Education.	Sanitation and Health.	Agriculture.	Other subjects.
1929				
1930				
1931				

*Apart from the quinquennial programme.

(b) Will Government kindly give the same information in the same form for the same period with regard to Ajmer-Merwara and Delhi?

Mr. J. G. Acheson: Three statements showing the budget grants made by the Government of India for the North-West Frontier Province, Ajmer-Merwara and Delhi are laid on the table. As the budgets are framed for official years and not for calendar years, the figures for the financial years 1928-29, 1929-30 and 1930-31 have been given. The figures under the head "Education" have been divided into two parts, one showing the grant for the Five Year Programme and the other showing the grant apart from that programme.

Statements showing the Budget grants made by the Government of India for the North-West Frontier Province, Ajmer-Merwara and Delhi in 1928-29, 1929-30 and 1930-31.

Year.	Education.		Public Health.	Agriculture.	Other Subjects.
	Excluding Five Year Programme.	Five Year Programme.			
	Rs.	Rs.	Rs.	Rs.	Rs.

STATEMENT A.

North-West Frontier Province.

1928-29	14,03,321	5,13,679	1,09,000	1,82,000	3,05,39,800
1929-30	14,45,110	5,74,890	1,09,000	2,13,000	3,32,52,900
1930-31	14,38,281	6,42,719	1,29,000	2,51,000	3,54,78,900

STATEMENT B.

Ajmer-Merwara.

1928-29	2,81,800	1,11,000	4,200	46,000	26,90,000
1929-30	2,89,800	1,41,000	4,500	44,300	27,31,400
1930-31	3,27,000	1,45,600	4,300	45,300	28,60,800

STATEMENT C.

Delhi.

1928-29	6,77,000	2,42,200	2,60,100	58,500	1,01,96,200
1929-30	7,08,200	2,70,300	2,02,000	63,200	1,14,79,300
1930-31	7,31,000	2,82,500	1,92,200	69,600	1,09,48,700

INTRODUCTION OF COMPULSORY PRIMARY EDUCATION IN AJMER-MERWARA.

999. *Rai Sahib Harbilas Sarda: (a) Have the Government of India taken into consideration and, if so, with what result, the Primary Education Committee's Report of 1929-30?

(b) Do Government propose to give immediate effect to the recommendations of the Primary Education Committee regarding the introduction even in the restricted form proposed in the Committee's Report, of compulsory primary education in Ajmer-Merwara? Has the proposal been strongly supported by the authorities in Ajmer?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) and (b). The Report is still under consideration. As regards the latter portion of part (b) of the question, Government have no information other than that contained in the Report, copies of which have been placed in the Library of this House.

Rai Sahib Harbilas Sarda: May I have some information as to when action is likely to be taken on the Report of the Primary Education Committee? It is nearly a year since the Report was submitted to the Education Department and the question of extension of primary education is of very urgent importance. I should like to know when Government hope to consider the Report and pass final orders thereon.

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: As regards the consideration by the administrative Department concerned, it is hoped that in the course of the year a decision will be taken. As to taking actual action executing the decision that depends very largely upon the financial conditions that will prevail next year.

Rai Sahib Harbilas Sarda: Sir, I do not propose to put my question No. 1000.

ABNORMAL INFANTILE DEATH-RATE IN AJMER AND BEAWAR.

1091 *Rai Sahib Harbilas Sarda: Will Government state the steps taken to reduce the abnormal infantile death-rate in Ajmer and Beawar, which they promised to do in answer to my question last year?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: I regret to have to inform the Honourable Member that it has not been possible for Government to include any provision in next year's Budget for grants in aid of the Municipal schemes for the improvement of sanitation and health conditions at Ajmer and Beawar which were mentioned by Sir Frank Noyce in reply to questions put last year and to which the Honourable Member is presumably referring. The question was considered at the time the Budget was under preparation, but the Beawar scheme was reported not to be ready and though the Ajmer scheme was more advanced, no grant in aid could be provided next year owing to the prevailing financial stringency. The question will be re-examined in connection with the Budget of 1932-33. In the meantime, a good deal is, I am informed, being done towards improving local sanitary conditions and reducing the infantile mortality rate by local relief organisations, such as the Lady Chelmsford Maternity and Child Welfare League.

PROVISION OF INTERMEDIATE CLASS ACCOMMODATION ON, AND INCONVENIENT TIMINGS OF, THE GRAND TRUNK EXPRESS BETWEEN DELHI AND MADRAS.

1002. ***Rao Bahadur M. C. Rajah:** (a) Is it a fact that there is no intermediate class accommodation provided on the Grand Trunk Express which runs between Delhi and Madras?

(b) Are Government aware that the lack of intermediate class accommodation is seriously affecting the popularity of the train among those who generally patronise that train?

(c) Is it a fact that, of the three railway sections, through which the Grand Trunk Express passes, the Great Indian Peninsula Railway and the Madras and Southern Mahratta Railway provide intermediate class accommodation on their other trains, and that only the Nizam's State Railway do not provide such accommodation on their trains?

(d) Are Government aware that the section traversed by the Grand Trunk Express on the Nizam's State Railway is only about 250 miles out of a total of about 1,360 miles, and do Government propose to take steps to see that the Nizam's State Railway are not allowed to stand in the way of introducing intermediate class accommodation on the through train between Delhi and Madras?

(e) Are Government aware that there is great dissatisfaction among the travelling public at the inconvenient hours of departure and arrival at Madras, and the inconvenient arrival at Delhi of the Grand Trunk Express?

(f) Are Government aware that, in spite of Mr. A. A. L. Parson's answer to my question No. 192, dated the 16th July, 1930, the original timings of arrival and departure have not been materially changed even in the revised timings from 1st March, 1931, to suit the convenience of through distance passengers?

(g) Are Government aware that the Grand Trunk Express takes a long time to cover the distance between Delhi and Madras, whereas similar fast trains take a much shorter time to cover the same distance? Do Government propose to consider the advisability of instructing the railway administrations concerned that they must accelerate the speed of the train so as to cover the distance in not more than 45 hours at the utmost?

(h) Are Government prepared to take the earliest opportunity of changing the departure time from Madras to about 10 A.M. and arrival time there to about 5 P.M., and also the arrival time at Delhi to about 7 A.M.?

Mr. A. A. L. Parsons: (a) to (d). The Nizam's State Railway have now agreed to carry intermediate class passengers by the Grand Trunk Express, but as they have no intermediate class passenger coaches, steps are being taken to see whether such coaches can be provided by other railways for this service.

(e) From the 1st March, 1931, the south bound Grand Trunk Express is scheduled to leave Delhi at 8-35 p. m. and to arrive at Madras at 7-50 p. m. The north bound train is due to leave Madras at 7-50 a. m. and to reach Delhi at 9-25 a. m. Government are not aware that these timings are considered inconvenient.

(f) From the 1st of March the arrival and departure times at Madras have been altered so as to give a greater interval of time for through passengers between the Grand Trunk Express and the Ceylon Boat Mail trans. For south bound passengers the interval has been increased from 25 minutes to 1 hour and 10 minutes and for north bound passengers from 30 minutes to 1 hour and 5 minutes.

(g) and (h). The average through speed of the up and down Grand Trunk Express trains is 28 miles an hour, including halts. Government cannot take part in the preparation of time tables or in decisions as to the speeds at which certain trains should be run, but I will have a copy of the Honourable Member's question sent to the Agents of the railways concerned.

Mr. C. S. Ranga Iyer: Sir, in regard to the Honourable Member's reply to part (e), may I just put a supplementary question? The Honourable Member said that the departure time from Madras would be 7-50 a. m. Will the Government be pleased to consider the advisability of making the departure time 9-50 a. m. instead as it will be of great convenience to the travelling public, especially the Madras public coming from a long distance?

Mr. A. A. L. Parsons: I will bring the Honourable Member's suggestion to the notice of the Agents of the railways concerned. But the position with regard to this train is that though we desire to see the speed increased, so that the hours of departure from Madras and arrival at Delhi could be altered in the direction which the Honourable Member wishes, he must not expect that we can do it suddenly. Generally with these important trains, after we have cut off an hour or so we have to wait for, say, six months and see how the new timing works and whether the train runs to time, before we can start considering whether we can cut off another hour or so.

Diwan Bahadur T. Rangachariar: Will the Railway Board have an eye on that Grand Trunk Express, so as to make it more popular from time to time?

Mr. A. A. L. Parsons: We have had an eye, a very watchful eye, on this particular train and I think it is for that reason that some improvements have already been made.

BOAT HIRE GRANTED TO POSTMEN IN RIVERINE DISTRICTS.

1003. ***Mr. Goswami M. R. Buri** (on behalf of Mr. D. K. Lahiri Chaudhury): (a) Is it a fact that the boat-hire granted to postmen, runners and other staff for the delivery of articles in the rains in the riverine districts of Eastern Bengal is sanctioned at a rate without taking any note of the local prevailing rate?

(b) Is it a fact that the principle adopted by the Local Government in granting boat-hire to process-serving peons is not applied when granting the same to the postmen of the same locality?

(c) Will Government be pleased to place on the table a statement showing:

(i) the number of boats engaged, and

(ii) the number of rowers entertained in the Eastern Bengal districts?

(d) Is it a fact that the postmen are required to be recruited from a class of men who know English?

(e) Are Government aware that the water channels at many places in the riverine districts of Eastern Bengal are blocked by water hyacinth?

(f) Will Government be pleased to state the arrangements made for plying a boat where no rower is entertained for the boat?

Mr. H. A. Sams: (a), (b), (e) and (f). The Honourable Member's attention is invited to the reply given by the Director-General of Posts and Telegraphs in his demi-official letter No. 248-Est.-A.29, dated the 5th May, 1930, to Khan Bahadur Sarfaraz Hussain Khan's unstarred question No. 119 in this House on the 2nd September, 1929. A copy of the letter is in the Library of the House.

(c) Government have not the information and do not consider that the expenditure of time and labour involved in obtaining it from the local officers would be justified by the public interests to be served.

(d) So far as knowledge of English is concerned, postmen must be able to read and write numerals, while ability to read addresses written in that language on postal articles is considered a very useful though not an indispensable qualification.

REMOVAL OF GRIEVANCES.

1004. ***Mr. Goswami M. R. Puri** (on behalf of Mr. D. K. Lahiri Chaudhury): (a) Has the attention of Government been drawn to the article entitled "Monsoon charges—Justice?" appearing on pages 259-261 of the July, 1925, issue of the *Labour*?

(b) Will Government be pleased to state what action, if any, has been taken to remove the grievances outlined in the article?

(c) If the answer to part (b) above be in the negative, do Government contemplate taking any action in the direction to remove the grievances?

Mr. H. A. Sams: (a), (b) and (c). No copy of the *Labour* of July, 1925, or of any proceedings thereon is readily traceable at this distance of time, but the Honourable Member's attention is invited to the reply given to Mr. M. Anwar-ul-Azim's starred question No. 320 in this House on the 17th February, 1930, and to the demi-official letter No. 248-Est.-A./29, dated the 5th May, 1930, from the Director-General of Posts and Telegraphs to Khan Bahadur Sarfaraz Hussain Khan with reference to the latter Member's unstarred question No. 119 on the 2nd September, 1929. A copy of that letter is in the Library of the House.

PROVISION OF QUARTERS FOR EMPLOYEES OF RURAL POST OFFICES.

1005. ***Mr. Goswami M. R. Puri** (on behalf of Mr. D. K. Lahiri Chaudhury): (a) Will Government be pleased to lay on the table a statement showing:

(i) the number of rural sub-post offices, and

(ii) the names of places where clerks' quarters are provided in the Mymensingh District?

(b) Are Government aware that no house is available even on rent at other places, in the interior of the districts where no quarters are provided?

(c) Is it a fact that the postal employees, other than those employed as night-guards, are not allowed to sleep at night in the post office buildings in the Eastern Bengal Districts?

(d) Has the attention of Government been drawn to Resolution No. 65 passed at the Ninth Session of the Annual Conference of the All-India (including Burma) Postal and Railway Mail Service Union held at Peshawar on the 10th November, 1929, praying for house accommodation at mufussil stations?

(e) Will Government be pleased to state the action taken on the subject?

Mr. J. A. Shillidy: (a), (b) and (c). Information is being collected and will be furnished to the Honourable Member.

(d) and (e). I am unable to make any reply as the resolution cannot be traced.

DISBURSING OF INCREMENTS OF PAY OF POSTAL RUNNERS.

1006. ***Mr. Goswami M. R. Puri** (on behalf of Mr. D. K. Lahiri Chaudhury): (a) Has the attention of Government been drawn to the editorial note under the heading "Increase of pay to Runners" appearing at page 126 of the November, 1930, issue of the *Prachar*, the registered monthly magazine of the Mymensingh Postal and Railway Mail Service Union?

(b) Will Government be pleased to state the action taken to disburse the increment already due to the runners of Mymensingh District?

(c) Do Government contemplate issuing a general order for disbursing the increment in future to the runners as soon as it is due to them?

Mr. H. A. Sams: (a) No.

(b) and (c). Government have no information, nor do they propose to call for a report. A copy however of the question and of my reply is being sent to the Postmaster General, Bengal and Assam.

PROMOTION OF POSTAL OFFICIALS IN THE DACCA RANGE POSTAL DIVISION.

1007. ***Mr. Goswami M. R. Puri** (on behalf of Mr. D. K. Lahiri Chaudhury): (a) Will Government be pleased to lay on the table a statement showing:

(i) the number of telegraph-knowing postal officials in the Dacca Range who have passed the lowest selection-grade examination held in December, 1929;

(ii) the number from amongst such telegraph-knowing selection-grade passed officials who are not provided for in selection-grade appointments, either in permanent or temporary vacancies; and

(iii) the number of vacancies, permanent and temporary, in the selection-grade under the Dacca Range?

(l) Is it a fact that in many cases, those who were acting in selection-grade appointments, but could not pass the examination held in December, 1929, were replaced by officials who passed the selection-grade examination immediately after the result of the examination was out?

Mr. H. A. Sams: (a) and (b). The information wanted by the Honourable Member has been called for and will be supplied to him when received.

AN OVERWORKED POSTAL SUB-RECORD CLERK IN MYMENSINGH.

1008. ***Mr. Goswami M. R. Puri** (on behalf of Mr. D. K. Lahiri Chaudhury): (a) Has the attention of Government been drawn to the article under heading "Mymensingh Sub-Record-Office", appearing at page 102 of the September, 1930, issue of the *Prachar*, a registered monthly magazine of the Mymensingh Postal and Railway Mail Service Union?

(b) Are Government aware that the work of the Sub-Record clerk, Mymensingh, has been admitted by the supervising officer to be too heavy to be managed by one man?

(c) Do Government contemplate giving the Sub-Record clerk any assistance in the near future?

Mr. H. A. Sams: (a) No.

(b) and (c). Government have no information. The question relates to a detail of administration within the competence of the Postmaster-General, Bengal and Assam Circle.

STRENGTH OF RAILWAY MAIL SERVICE SECTIONS.

1009. ***Mr. Goswami M. R. Puri** (on behalf of Mr. D. K. Lahiri Chaudhury): (a) Will Government be pleased to state the data, if any, for determining the strength of the staff of a section in the R. M. S.?

(b) Will Government be pleased to state if the time spent on work by a sorter before the train actually leaves the railway station is taken into consideration in determining the strength?

(c) If the answer to part (l) above be in the affirmative, was such time taken into calculation in determining the question of the abolition of the third set in S-3 Section?

Mr. H. A. Sams: (a) The strength of the staff in Railway Mail Service sections is determined by the duration of the run and the amount of sorting work to be done in the time available.

(b) Yes, subject to certain restrictions.

(c) No, the third set was abolished, because the total weekly working hours of each set was only 24 hours 13 minutes 40 seconds per set against 30 hours, which is the prescribed minimum for a day-working section. Even if platform attendance had been taken into account, a third set would not have been justified.

DISTRESS OF EXTRA-DEPARTMENTAL POSTAL AGENTS.

1010. ***Mr. Goswami M. R. Puri** (on behalf of Mr. D. K. Lahiri Chaudhury): (a) Has the attention of Government been drawn to the editorial notes under heading "Extra-Departmental Agents" appearing at page 490 of the December, 1930, issue of the *Labour*?

(b) Do Government contemplate taking action to remove the distress of the extra-departmental agents by increasing their pay?

Mr. H. A. Sams: (a) Yes.

(b) The Honourable Member's attention is invited to part (j) of the reply given in this House to Mr. S. C. Mitra's starred question No. 162 on the 29th January, 1931.

DISTRESS CAUSED TO POSTAL OFFICIALS BY COMMUNAL RIOTS IN THE KISHORGUNJ SUB-DIVISION.

1011. **Mr. Goswami M. R. Puri** (on behalf of Mr. D. K. Lahiri Chaudhury): (a) Will Government be pleased to state the number of postal officials distressed by the last communal riots in the Kishorganj Sub-Division?

(b) Has the attention of Government been drawn to the correspondence published under the heading "Extra-Departmental Agents looted" appearing at pages 275—277 of July, 1930, issue of the *Labour*?

(c) Will Government be pleased to state the nature of help extended to them to avert starvation in their families?

Mr. H. A. Sams: (a) Six extra-Departmental agents.

(b) The Honourable Member presumably refers to the correspondence published on pages 276—278 of the August, 1930, issue of the *Labour* which Government have seen.

(c) No Departmental relief was given for the reasons indicated in the communications from the Postmaster-General, Bengal and Assam, included in the correspondence referred to in (b) above. The District Magistrate granted Rs. 15 and Rs. 30, respectively, to two of the extra-Departmental agents out of a relief fund raised by him.

BAGGAGE COOLIES AT STATIONS ON THE EAST INDIAN RAILWAY.

1012. ***Mr. Badri Lal Rastogi:** (a) Will Government please state whether the porters or coolies who attend trains for carrying passengers' luggage at the stations on the East Indian Railway are the employees of the Railway or are licensed by the Railway?

(b) Are Government aware that they do not wear their respective badges for identification? If so, why?

Mr. A. A. L. Parsons: The information asked for by the Honourable Member may be found on page 199 of the East Indian Railway Time Table dated March, 1931.

At principal stations porters for carrying passengers' luggage are licensed by the Railway and are not railway employees. If the Honourable Member is aware of specific instances where porters do not comply with the regulation as to the wearing of numbered badges it is suggested that the matter might be brought to the notice of the Administration through one of the members of the Local Railway Advisory Committee.

FEES DEMANDED BY LUGGAGE COOLIES AT EAST INDIAN RAILWAY STATIONS.

1013. ***Mr. Badri Lal Rastogi:** (a) Are portage rates for carrying luggage fixed at each and every station on the East Indian Railway?

(b) If the answer is in the affirmative, why do porters demand exorbitant rates from the passengers instead of the usual rates prescribed by the Railway?

(c) Do Government propose to issue instructions to all the Station Masters to look into this for the convenience of the illiterate passengers?

Mr. A. A. L. Parsons: (a) All Railway Administrations were asked in 1929 to arrange, if this had not already been done, for vernacular notices being posted at all stations showing the charges which licensed coolies are entitled to make.

(b) and (c). Government are not aware that exorbitant demands are made by porters, and do not consider that action on their part is called for.

EATABLES SOLD TO PASSENGERS AT RAILWAY STATIONS.

1014. ***Mr. Badri Lal Rastogi:** (a) Will Government please state whether the eatables which are sold to the passengers at railway stations are examined by the Station Masters or otherwise before being exposed for sale?

(b) If the answer to part (a) be in the negative, do Government propose to issue instructions to all Station Masters to see if the eatables are good and proper and fit to be sold?

Mr. A. A. L. Parsons: (a) Station Masters and supervising officials have instructions to see that eatables sold at railway stations are of good quality. Special catering inspectors are also provided for this purpose on some railways.

(b) Does not arise.

RESERVATION OF RAILWAY BERTHS AT INTERMEDIATE STATIONS.

1015. ***Mr. Badri Lal Rastogi:** (a) Are Government aware of the fact that the berths for 1st and 2nd class passengers are not reserved at all at any intermediate station and this puts passengers to considerable inconvenience in case they have to perform a long journey?

(b) Are Government aware of the fact that the Station Masters flatly refuse to get the berths reserved at intermediate stations even when room is available and this causes a good deal of inconvenience to the passengers and a great loss to the railway itself?

(c) Do Government propose to ask the railway authorities to reserve the berths for 1st and 2nd class passengers at intermediate stations if accommodation is available?

Mr. A. A. L. Parsons: (a) and (b). The practice generally on railways is to reserve berths when possible for upper class passengers entraining at intermediate stations on sufficient notice being given, but reserved accommodation at intermediate stations is not guaranteed.

(c) Government do not propose to ask railway authorities to make any change in the present arrangements.

CONSTRUCTION OF A RAILWAY FROM NAWADAH TO BAKHTIARPORE.

1016. ***Mr. Badri Lal Rastogi:** (a) Was there any proposal of the East Indian Railway to open a new railway line from Nawadah to Bakhtiarpoore via Rajgriha, Nalanda and Bihar?

(b) If the answer to part (a) is in the negative, do Government propose to construct a new railway line from Nawadah to Bukhtiarpoore via Rajgriha and Bihar for the convenience of the pedestrians?

Mr. A. A. L. Parsons: (a) No.

(b) A line of railway (the Bakhtiarpur-Bihar Light Railway) already exists between Bakhtiarpur and Rajgir Kund through Bihar. No proposal has been made by the Local Government for the extension of this line from Rajgir Kund to Nawadah, a distance of about 15 miles. Such an extension is not likely to be remunerative in view of the fact that a main metalled road exists between Bihar and Nawadah.

CUSTOMS DUTIES.

1017. ***Mr. Badri Lal Rastogi:** Will Government please lay on the table a statement showing how much duty has been imposed under the head Customs on each and every commodity of import and export?

The Honourable Sir George Rainy: The Honourable Member is referred to:

- (1) The publication issued by the Director General of Commercial Intelligence and Statistics entitled "Indian Customs Tariff" copies of the latest issue of which have been placed in the Library;
- (2) The Gold Thread Industry (Protection) Act, 1931, and the Steel Industry (Protection) Act, 1931.
- (3) Notification No. 260-T. (127), dated the 30th December, 1930, increasing the duty on imported galvanized sheet.

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LEGISLATIVE ASSEMBLY.

[18TH MAR. 1931.]

Diwan Bahadur T. Rangachariar: May I ask the Honourable Member to issue instructions to the Director General of Commercial Intelligence to send all such publications to the Members of the Central Legislature?

The Honourable Sir George Rainy: I am afraid I cannot agree to anything so vaguely phrased as "all such publications". But if it is the particular publication referred to in my answer, I do not at present see any particular objection to that.

Diwan Bahadur T. Rangachariar: I was referring to all publications containing statistical information on all subjects affecting the Government of India.

The Honourable Sir George Rainy: I must have notice of that.

AVERAGE INCOME AND INCOME-TAX IN INDIA AND ENGLAND.

1018. ***Mr. Badri Lal Rastogi:** (a) Will Government please state what is the average annual income and expenditure in India and England per head of the population?

(b) What is the total amount of tax which a man pays in India and England?

The Honourable Sir George Schuster: With reference to part (a) of the question it is not clear whether the Honourable Member requires to know what is the average national income and expenditure in the sense of the aggregate of private incomes and private expenditure, or whether he refers to the narrower sense of public revenue and public expenditure. Part (b) of the question is equally obscure. I assume however that the Honourable Member is anxious to get figures illustrating the burden of public expenditure and taxation as compared with the national income in the wider sense.

No country possesses accurate statistics of national income in this wider sense, but economists and statisticians often make estimates. Some interesting figures on this point are given in paragraph 238, Volume II, of the Indian Statutory Commission's Report. In that paragraph Sir Walter Layton estimates the national income in India at an average of 107 rupees per head, as compared with an average of £100 per head in England. He also points out that purposes of military and naval defence take about £2-10-0 per head in England compared with about 2s. 7d. per head in India and that the percentage of the national income taken for this purpose is 2½ per cent. in England against about 2 per cent. in India. In a recent article in the *Times of India* Mr. Findlay Shirras stated that the burden of taxation in India for 1929-30 represents 6 per cent. of the national income of which 2·8 per cent. was Central, 2·6 per cent. provincial and ·6 per cent. local. He compared this total of 6 per cent. for India with:

- 12·8 per cent. for Japan
- 13·3 per cent. for Australia
- 10·7 per cent. for the United States of America
- 19·2 per cent. for the United Kingdom
- 20·1 per cent. for Germany
- 20·9 per cent. for France
- 22·3 per cent. for Italy.

I must emphasise however that estimates of national income for a country like India must be regarded as difficult to verify with great exactness.

Diwan Bahadur T. Rangachariar: Are the difficulties such that the Government can surmount them or they cannot?

The Honourable Sir George Schuster: I am afraid that the difficulty of providing a really accurate statement of the national income in India is a difficulty which the Government cannot surmount. It must be obvious to my Honourable friend that to estimate the total national income that would be an aggregate of all private incomes of the people in a country like India must be very difficult.

Diwan Bahadur T. Rangachariar: May I ask what is the peculiarity about India?

The Honourable Sir George Schuster: India is a very large country and it is not supplied with a machinery of Government in every part of the country watching every branch of economic life and trade with the same elaboration that countries like England possess.

Diwan Bahadur T. Rangachariar: Do not Government consider that they should know the bearing capacity of the people before they can impose taxation?

The Honourable Sir George Schuster: I think it is very important and indeed essential that the Government should consider now the burden can be borne whenever they make proposals about taxation, and that is a point which Government always do consider.

Mr. B. Das: Did the Honourable Member invite the views of the different Chambers of Commerce as to how to take an economic survey about the income *per capita* in India?

The Honourable Sir George Schuster: I am afraid that the Chambers of Commerce will be unable to help very much in that respect. If my Honourable friend would take the trouble to look at Government publications in various countries on this subject, for example if he would examine what was involved in England when they attempted to take a census of production, I think he would realise how enormous the difficulties are in dealing with this particular question.

EXPENDITURE ON EDUCATION IN INDIA AND IN OTHER COUNTRIES.

1019. ***Mr. Badri Lal Rastogi:** Will Government please state how much is spent here in India and how much is spent in England, Germany, Canada, Australia, South Africa and New Zealand annually on education?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: A statement giving the information asked for, so far as it is available, is laid on the table.

Statement.

Country.	Year.	Expenditure on Education.
1. British India	1929	Rs. 27,07,32,253
2. England and Wales	1928	£76,910,902 (a)
3. Germany—		
Wurttemberg	1929	Marks 54,943,989
Other States		No information.
4. Canada	1927	Dollars 128,890,838*
5. Australia—		
New South Wales	1928	£5,061,118†
Victoria	1927	£3,254,575
Queensland	1929	£1,784,359
South Australia		No information.
Western Australia	1929	£709,019
Tasmania	1927	£18,500‡
6. South Africa	1928	£7,570,490§
7. New Zealand	1929	£3,886,358

(a) Expenditure from public funds only.

* For State-controlled elementary and secondary schools, exclusive of technical schools in all provinces and including all primary schools in Quebec.

† Exclusive of technical education.

‡ Recurring expenditure on the University of Tasmania only. Figures for school education not available.

§ This figure excludes expenditure on higher education. The total value of the Bursaries held in 1928 at the Universities was £27,530.

N.B.—The information given in this statement is based on "Education in India in 1928-29", "Statistical Abstract for the United Kingdom" for the fifteen years 1913 and 1915 to 1928 (Cmd. 3465), and the "Statesman's Year-book" for 1930.

Separate figures for England alone are not readily available.

AVERAGE LENGTH OF LIFE AND DEATH RATE IN INDIA AND OTHER COUNTRIES.

1020. *Mr. Badri Lal Rastogi: Will Government please lay on the table, a statement showing the average life of men and infants and their death rate in India, England, America, Germany, Japan, Canada and Australia?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: I presume that the Honourable Member desires information regarding the expectation of life in India as compared with that in other countries. I would refer him to Volume I, paragraphs 231-240 of the Report of the Public Health Commissioner with the Government of India for 1927, a copy of which is available in the Library of the House.

HINDU TITLE HOLDERS IN THE BIHAR SUB-DIVISION.

1021. *Mr. Badri Lal Rastogi: Will Government please state if the statement laid on the table in reply to my unstarred question No. 170 answered on the 9th February regarding Hindu title-holders in the Bihar Sub-Division, is correct? Will Government kindly get the statement verified? Are Government aware that the statement of the Bihar Sub-Division seems to be the reverse of what is the fact?

Mr. J. G. Acheson: The statement previously supplied has been changed and found to be inaccurate in respect of two sub-divisions, though the total already given is correct. A revised statement is now laid on the table.

Statement showing the number of Hindu and Muhammadan title-holders in all the Sub-Divisions of the District of Patna in the Province of Bihar and Orissa asked for by Mr. Badri Lal Rastogi, vide Question No. 170.

Sub-Division.	Title-holders.	
	Hindus.	Muhammadans.
Sadr Sub-division	44	14
Patna City	5	4
Dinapur	5	4
Barh	4	5
Bihar	6	8
Total	64	35

N.B.—The figures in the statement include the Government officers holding titles and posted to a sub-division in the Patna District though they are not all residents of the district.

ASSAULT OF A RAILWAY MAIL SERVICE SORTER AT PATNA STATION.

1022. *Mr. S. C. Mitra: (a) Are Government aware that in May, 1930, the head sorter of Patna Railway Mail Service was assaulted by the Superintendent, Patna Railway Mail Service, on the platform of the Patna Railway Station?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to state what action they took in the matter?

Mr. H. A. Sams: (a) Yes.

(b) The Superintendent concerned was reduced both in pay and seniority and transferred out of the Circle.

RURAL UPLIFT WORK IN INDIA.

308. **Bhagat Chandi Mal Gola:** (a) Will Government kindly state if they have received any communication from the Rural Development Federation, Sita Ram Bazar, Delhi, regarding the real problem of rural uplift in India? If so, what reply has been given to them?

(b) Will Government please state what action is being taken by the Government of India with regard to their application to His Excellency the Viceroy and Governor General of India, dated the 25th February, 1931, to help them in the materialisation of their projected plan of action for doing the real rural uplift work in India?

(c) Will Government be pleased to place on the table their suggestions and the line of action which they propose to take for rural uplift work?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: Government have received a copy of the memorial addressed to His Excellency the Viceroy by the Rural Development Federation on the 25th February, 1931. It would obviously be premature to consider the question of according the Federation any recognition by Government until it has satisfied the Local Administration of its representative character, its status and its ability to carry out the ambitious programme outlined in its memorial.

The Honourable Member is no doubt aware that the promotion of rural uplift work is primarily the responsibility of Local Governments and Administrations. The action they have taken on the recommendations made by the Royal Commission on Agriculture on this subject has been stated in the Report on the progress made in giving effect to the Commission's recommendations generally, a copy of which is available in the Library of the House.

GRADUATED INCOME-TAX FOR FARMERS INSTEAD OF LAND REVENUE.

309. **Bhagat Chandi Mal Gola:** Will Government please state whether they have considered the establishment of a system of graduated income-tax for farmers instead of land revenue?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: No.

GOVERNMENT PURCHASES THROUGH THE RURAL DEVELOPMENT FEDERATION.

310. **Bhagat Chandi Mal Gola:** Will Government please state whether they have considered the question of making Government purchases as much as possible through the Rural Development Federation to assist the co-operative buying and selling of agricultural products and the turn-out of the cottage industries?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: The project for the establishment of the Rural Development Federation does not appear to have reached a stage at which it is possible for Government to consider the Honourable Member's suggestion.

(2208)

CHEAP AND EASY JUSTICE FOR AGRICULTURAL COMMUNITIES.

311. **Bhagat Chandi Mal Gola:** Have Government considered any proposals to establish cheap and easy justice for the agricultural communities in India? If so, what steps do they intend to take?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: I regret that I am unable to understand what it is the Honourable Member desires. If he will place before me any concrete suggestions, I shall be glad to consider them.

RURAL UPLIFT WORK IN INDIA.

312. **Bhagat Chandi Mal Gola:** Is it a fact that it has been admitted by the Royal Commission on Indian Agriculture that the responsibility for initiating the steps required to effect rural uplift work rests with Government? If so, will Government please state what action has been taken up to now by them for creating conditions favourable to improving village life in all directions?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: Yes. I would refer the Honourable Member to the reply I have given to his question No. 308.

MASS EDUCATION OF AGRICULTURISTS.

313. **Bhagat Chandi Mal Gola:** Have Government considered any proposals in regard to the mass education of our agriculturists? Are they aware that Mr. F. L. Brayne, M.C., I.C.S., of the Punjab Government, Lt.-Col. Janet Keir, Delhi Cantonment, Dr. Rabindra Nath Tagore of Bengal, the Servants of India Society and a few other philanthropic gentlemen, both European and Indian, have been trying to do all that they could in a primary stage? What monetary help can Government give to the Rural Development Federation in this direction?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: If the Honourable Member will refer to Chapter IV of the Interim Report of the Indian Statutory Commission and to Chapter VI of the Ninth Quinquennial Review on the Progress of Education in India, 1922—27 he will see that Local Governments and Administrations are doing their best to promote the expansion of education among the masses, including agriculturists and other rural people. Recently, in 1929, a Committee was appointed by the Government of India to investigate, *inter alia*, the problems of primary education in the areas of Delhi, Ajmer-Merwara and the North-West Frontier Province, and its Report containing recommendations on this as well as other points which were referred to it for consideration are now receiving the attention of Government.

As regards the grant by Government of monetary help to the Rural Development Federation, I would refer the Honourable Member to my reply to his question No. 308.

APPOINTMENT OF ACCOUNTANT IN THE GOVERNMENT OF INDIA PRESS, ALIGARH.

314. **Mr. S. C. Mitra:** (a) Will Government be pleased to state if it is a fact that in the Government of India Press, Aligarh, a junior clerk drawing Rs. 53 in the 50—3—80 grade with only a few years' service

has recently been appointed to officiate as accountant on Rs. 100 per mensem in the 100-5-140 grade in supersession of long service clerks drawing Rs. 100, Rs. 88, Rs. 84 and Rs. 75 per mensem in the 80-4-120, 80-4-100, 70-3-100 and 50-3-80 scales, respectively? If so, why were the claims of senior men ignored?

(b) Is it a fact that the said junior clerk has not even passed the Matriculation examination and does not possess any qualifications in accountancy, computing or cost accounting?

(c) Was the existence of senior clerks disclosed by the Manager in submitting proposals for filling the post of accountant?

(d) Is it a fact that the said junior clerk, in making the Manager to agree to his own appointment as accountant, excluded from the seniority list the names of the clerks at present working in the Forms Section? If so, why were not the senior men working in the Forms Section considered by the Manager?

(e) Is it a fact that the late accountant was made to retire? Was his record of service good and was he well spoken of by all the previous Managers?

(f) Is it a fact that the said junior clerk got his brother appointed as Foreman Printer in supersession of technical men?

(g) If any supersessions have taken place in the arrangements for the post of accountant in the Aligarh Press, do Government intend to issue instructions to the Controller of Printing and Stationery that the case of clerks seniormost in pay and service should be considered in the post of accountant in preference to the present junior clerk?

Mr. J. A. Shillidy: I propose to deal with question Nos. 314 and 316 together. The Controller of Printing and Stationery is responsible to Government generally for the efficient administration of the Government of India Presses and Government do not propose to call for information regarding these administrative details which are matters for his discretion.

DISPOSAL OF WASTE PAPER FROM THE GOVERNMENT OF INDIA PRESS, ALIGARH.

315. Mr. S. C. Mitra: (a) Is it a fact that the Manager, Aligarh Press, entered into a contract with a contractor for the disposal of all classes of waste paper for the year 1930-31?

(b) If so, is it a fact that the late accountant while officiating as Head Clerk in the month of November or December last, brought to the notice of the then Assistant Manager that the contractor was picking up the best broad big sheets of paper leaving aside the small shavings and other useless waste paper, whereas according to the terms of contract he should remove all sorts of papers including the worst, but the Assistant Manager on his own authority allowed the contractor to take away such as he liked?

(c) Is it also a fact that the said accountant in the interests of Government brought this matter to the notice of the then Manager in writing and also reported against the ill-treatment he was subjected to by the then Assistant Manager for reporting the matter to the Manager?

(d) Is it a fact that the then Manager took no action and left the matter to his successor, who recorded several statements from various people on the subject?

(c) Is it also a fact that the said contractor, after picking out the best quality of paper, refused to take the remaining waste paper as arranged by him with the Assistant Manager against the terms of contract? If so, what action did the Manager take against the Assistant Manager and the contractor and what was the loss entailed to Government by the transaction?

Mr. J. A. Shillidy: Enquiries are being made.

APPOINTMENT OF FOREMAN PRINTER IN THE GOVERNMENT OF INDIA PRESS, ALIGARH.

316. Mr. S. C. Mitra: (a) Will Government be pleased to state if it is a fact that a clerk having no technical qualifications has been appointed as a Foreman Printer in the Aligarh Press? If so, what qualifications does he possess as a printer?

(b) Is it a fact that the said Foreman Printer is the brother of the junior clerk recently appointed as officiating accountant? Is it a fact that several technical men and the Composing Room Foreman applied for the post of the Machine Room Foreman but their claims were ignored and a junior clerk appointed to the post?

(c) Are Government aware that there is a great discontent in the Press on this account amongst the industrial staff of the Press? If so, do Government propose to appoint a technical man as a Machine Foreman in the Aligarh Press?

APPOINTMENTS AND PROMOTIONS IN THE INDIAN RAILWAY ACCOUNTS SERVICE.

317. Mr. S. C. Mitra: (a) Will Government please state who is the authority who makes the appointments or promotions to the selection and administrative grades in the Indian Railway Accounts Service?

(b) Are these appointments or promotions approved by the Honourable Member for Finance or His Excellency the Viceroy, if necessary? If not, will Government please state whether similar appointments in the sister service, namely, the Indian Audit and Accounts Service, are made by the Honourable Member for Finance and, if necessary, by His Excellency the Viceroy? If so, why is this distinction made?

Mr. A. A. L. Parsons: (a) The Financial Commissioner of Railways, in accordance with the Resolution passed by the Legislative Assembly on the 15th September, 1925, which laid down that the accounting staff should be under his orders for the purpose of appointments, promotions, transfers, etc.

(b) The question whether promotions to certain selection posts in the Railway Accounts Service should, as in the case of other Railway Services, be referred to the Honourable the Railway Member is under consideration.

ADMINISTRATIVE APPOINTMENTS IN THE RAILWAY ACCOUNTS DEPARTMENT.

318. Mr. S. C. Mitra: (a) Are Government aware that in the Railway Accounts Department, as at present administered, an impression has been created in the minds of the officers of that Department that in the

matter of selection to special or administrative posts preference is given to social and other qualifications regardless of merits, seniority, and experience?

(b) If so, will Government please state what steps they propose to take to remove any such impression?

Mr. A. A. L. Parsons: (a) No.

(b) Does not arise.

ACCOUNTANTS APPOINTED BY THE RAILWAY BOARD.

319. **Mr. S. C. Mitra:** (a) Is it not a fact that just after the separation of Railway Accounts from Audit a few accountants were recruited direct?

(b) If so, what is the number of such direct recruits, and what are their special qualifications which made the Railway Board take them direct?

(c) Is it not a fact that, according to the Code rulings, accountants are not recruited direct in the sister service, i.e., Audit Offices before passing the prescribed departmental examination?

(d) Is it not a fact that these direct recruits worked out the separation scheme successfully during the transitory period, when the then Accountant General for Railways could not spare his trained accountants?

(e) Is it not a fact that these new recruits had no substantive appointments elsewhere?

(f) Is it not a fact that, when these men were appointed, there was no condition whatsoever that they would be required to pass any examination for promotion to the officers' grade and that they were given assurances from time to time that they would be promoted whenever vacancies in the officers' grade would occur?

(g) Is it not a fact that a large number of men have now been brought in from the Audit side as well as from Company-managed railways and other departments to fill in the vacancies in the officer grade ignoring the claims of the direct recruits?

(h) Will Government please state whether they are prepared to promote these few remaining direct recruits, who had no idea that they would be asked to pass the Appendix D examination to the officers' grade without any further examination like Messrs. Cunningham, Deo Dutt, deVarine, etc.?

Mr. A. A. L. Parsons: (a) to (h). I am unable to understand several parts of the Honourable Member's question, but I assume from its general trend that his question relates to the period of the experimental separation of Accounts from Audit on the East Indian Railway. If so, I would observe that when it was decided experimentally to separate Audit from Accounts on that Railway, certain Accountants were recruited direct in connection with the experiment.

The number of such accountants was 25; and all of them were recruited either with reference to their general academic qualifications or with reference to their previous experience and suitability for the work. When the scheme of separation of Audit from Accounts was adopted finally in April, 1929, it was decided that, while those appointed in future would

have to pass a Departmental examination before being appointed accountants, the temporary accountants engaged during the experimental stage of the separation of Audit from Accounts should be eligible for permanent appointment in the actual grades in which they were working without having to pass any departmental examination, if their work was satisfactory. Most of these were young men; and there was no reason why they should be promoted to higher ranks without showing their worth by passing the necessary qualifying examination. The only exception made in this respect was in regard to the staff taken over from the old East Indian Railway Company, and even in their case only in regard to those who were 40 years of age on 1st April, 1929, and were thus too old to sit for a written examination. Government see no reason to reconsider the orders passed. No assurance was given to these temporary accountants, as the question assumes, that they would be promoted to Officer's grades without having to pass any Departmental Examination.

PROMOTION TO GRADE OF ASSISTANT ACCOUNTS OFFICER ON RAILWAYS.

320. **Mr. S. C. Mitra:** (a) Is it not a fact that, according to para. (3) (e) of Annexure D., page 89 of the Memorandum by the Financial Commissioner of Railways on the proposal to adopt as a permanent measure, the system of separation of Accounts from Audit on Indian railways,—promotion to the grade of Assistant Accounts Officers would be made by the Financial Commissioner of Railways by strict selection?

(b) Is it not a fact that, according to para. 9 of the Railway Board's Memorandum No. 5565-F. of the 31st July, 1929, such persons who were in service between certain dates would be eligible for confirmation in the actual rank or grade which they held on the 1st April, 1929, without passing any departmental examination, but that no such employee would be eligible for promotion to any higher grade or appointment until he had passed the examination prescribed for promotion to such rank or grade?

(c) Is it not a fact that these rules were made three or four years after these men were appointed?

(d) Is it a fact that, from such direct recruits, Messrs. Cunningham, Dev Dutt and deVarine have been promoted to the officer's grade just before the 1st April 1929? If so, why?

(e) Is it a fact that, according to the above Memorandum, Appendix D, an examination has been prescribed for clerks to pass, in order to qualify them for promotion to the rank of Accountant Grade II, Inspector of Station Accounts Grade II and Inspector of Stores Accounts Grade II?

(f) Is it a fact that those direct recruits have been informed after five or six years that they will not be promoted to the officers' grade or the accountant's Grade I, until they pass Appendix D examination which is purely meant for clerks for promotion to accountants' grade?

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

(d) Mr. Cunningham was selected to officiate as an Assistant Accounts Officer some time before 1st April, 1929. The selection was made with reference to his qualifications. Mr. deVarine was not promoted as an officer in the Accounts Department. Mr. Dev Dutt was appointed Cash and Pay Officer in the Railway Clearing Accounts Office on 1st April, 1929; a post which is really a subordinate post though given gazetted rank. He is not now in the Accounts Department.

(c) Yes.

(f) A warning was given in 1926 to all the staff concerned that they would have to pass the necessary departmental examinations.

ABSENCE OF STREET LIGHTS IN THE LOCALITY OF NEW QUARTERS AT
BARAKHAMBA ROAD.

321. Rao Bahadur M. C. Rajah: (a) Will Government please state whether it is a fact that:

- (i) some un-orthodox quarters of the "D" type were constructed by the Central Public Works Department at Barakhamba Road in 1930;
- (ii) these quarters have been occupied by Government servants since May 1930;
- (iii) no arrangements for road lighting has been made so far, even though the quarters began to be occupied about nine months ago;
- (iv) the residents of these quarters experience a lot of inconvenience in going out and coming back at night; and
- (v) in spite of a representation made by the residents to the authorities concerned, no action has been taken in the matter so far?

(b) If the answer to the above be in the affirmative, will Government please state whether they propose to provide street lights in this locality as early as possible? If so, when?

(c) Is it a fact that in all other localities in New Delhi arrangements for lighting are made simultaneously with the completion of residences?

(d) If so, why are these quarters given an exceptional treatment, and what is the explanation of the authorities concerned for this unusual delay in providing street lights there?

Mr. J. A. Shillidy: (a) (i), (ii) and (iii). The reply is in the affirmative.

(iv) This is quite possibly the case.

(v) No.

(b), (c) and (d). I am glad to be able to inform the Honourable Member that an estimate for providing road lighting in the area has been prepared and it is hoped to put the work in hand shortly.

SHORT NOTICE QUESTION AND ANSWER.

RELEASE OF POLITICAL PRISONERS.

Mr. C. S. Ranga Iyer: (a) Will Government be pleased to state whether any *satyagrahis* convicted under sections 147, 353 and 447 of the Indian Penal Code and 107 of the Criminal Procedure Code, involving technical violence, have not been released? If so, why?

(b) Will Government be pleased to state if it is also a fact that several persons undergoing trial on charge of sedition under section 124-A of the Indian Penal Code have not been released?

(c) Do Government propose to instruct the Provincial Governments to expedite the release of the said prisoners mentioned in (a) and (b)?

The Honourable Sir James Crerar: (a), (b) and (c). I have not as yet complete and definite figures showing, respectively, the number of persons who have been released and have not been released, but I am satisfied that Local Governments were taking, and are taking, prompt action. I wish, however, to take this opportunity of explaining that the question whether an offence involved violence other than technical violence, or incitement to violence other than technical violence is a question to be determined by the actual facts of each case and not with reference to the particular provisions of the law under which a person was convicted or is being tried. The object of including the word "technical" in the relevant provisions of the settlement was to give the benefit of the amnesty in cases where, although violence had been used or incitement to violence had been given, the violence was not of such a character as to preclude a view being taken favourable to the person convicted, or the under-trial prisoner. The Honourable Member will no doubt realise that it is not practicable to lay down a hard and fast rule and that discretion must be left to Local Governments, but I can assure him that Local Governments have applied and will apply these provisions in a liberal spirit.

Mr. Gaya Prasad Singh: Are Government aware that many Congress prisoners in the province of Bihar and Orissa have not yet been released and that this is causing a great deal of dissatisfaction in the public mind?

The Honourable Sir James Crerar: As I have explained I have not yet got detailed figures; but I will go into the matter when the figures come before me.

Mr. Amar Nath Dutt: Have not Government noticed the letter of the Congress Secretary who says that the detenus in Bengal have not been released and that the Bengal Government have not released as yet all those who were convicted and who can be released under the terms of the general amnesty?

The Honourable Sir James Crerar: I must refer the Honourable Member to the terms of the settlement which does not apply to detenus under the Bengal Criminal Law Amendment Act.

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

Mr. President: I have to inform the House that Dr. Ziauddin Ahmad and Raja Bahadur G. Krishnamachariar have been elected to sit on the Governing Body of the Indian Research Fund Association.

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

The Honourable Sir George Rainy (Member for Commerce and Railway): Sir, I move:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, three non-official Members to serve on the Standing Committee to advise on subjects in the Department of Commerce."

The motion was adopted.

Mr. President: I may inform Honourable Members that for the purpose of election of Members to the Standing Committee for the Department of Commerce, the Assembly office will be open to receive nominations up to 12 Noon on Thursday, the 19th March, while the election, if necessary, will take place in this Chamber on Saturday, the 21st March, if there is a meeting of the House on that day, otherwise on Monday, the 23rd March, 1931. The election will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

THE INDIAN FINANCE BILL—contd.

Sardar Sant Singh (West Punjab: Sikh): Sir, I was submitting before this House the case of Sardar Tota Singh of the North West Frontier Province, when the House adjourned yesterday. At the same time I was submitting the case of several persons who have not been released in accordance with the settlement arrived at between the Congress and Lord Irwin. Now, when I left this House and went home I received further reinforcement of my argument in the shape of a letter from Sialkot district, a district within my constituency, repeating the same complaint about the non-release of political prisoners. I would like to read a portion of the letter addressed to me. It reads:

"I will request you to put a short notice question in the Assembly so that the doings of the Punjab authorities may come to the notice of the Government. It has been learned that the local authorities are finding excuses to detain them in prison."

This is the expression used by a gentleman of position, an advocate of the Lahore High Court, practising in the Sialkot district. This case refers to a gentleman, Pandit Khazan Chand who was asked to furnish security under section 108 of the Criminal Procedure Code for presiding over a meeting where seditious speeches were delivered. There is no direct charge against him of delivering a speech, but for abetting the delivering of seditious speeches he was called upon to furnish security, and since 31st July, 1930, he has been suffering imprisonment. Sir, it is not only the private individuals alone who make such complaints in regard to this matter. This morning's paper has brought the news that a responsible body like the Bar Association of the Lahore High Court has passed the following Resolutions in respect of this matter. They read thus:

"That this meeting of the High Court Bar Association is of opinion that the Local Governments of the Punjab and Delhi are unnecessarily causing delay in releasing the prisoners whose convictions come within the provisions of the recent settlement announced by the Government of India."

(2216)

That this House is further of opinion that the proposed examination into the judgments and records of the cases of such prisoners by the police and subordinate magistracy is wholly unnecessary and contrary to the letter and spirit of the agreement and is merely to delay the release of the prisoners.

That this House is also of the opinion that immediate release should be ordered of such Satyagrahi prisoners who have been convicted or are being tried under sections involving violence merely on the ground that their conduct amounted to technical violence or were apparently not of a political nature.

That the House is also of the opinion that the delay in releasing these prisoners is robbing the amnesty of its grace and it urges on His Excellency the Governor General to order the immediate release of all such prisoners."

Now, this is the state of affairs in the Punjab, and from the questions which were put this morning by one Honourable gentleman, it is clear that this complaint is not confined to Punjab alone but to other provinces as well. My submission is this. Here is a curious situation that has arisen in the country. The Government of the country no doubt claim, and probably justly claim, the credit for organising a system of administration which they hold is working properly and efficiently from Peshawar to Cape Comorin and they further claim that this system acts automatically when the Central Government asks the Provincial Governments to move in a matter. As against the Government organisation, there is also the Congress organisation which has been working in the country for the last many years. During the last ten years or so since the Rowlatt Act agitation began to hold the field in India, the charge brought against the political leaders of this country has been that they are rousing passions in the mob, which once roused they would never be able to suppress. This is indeed a great charge made against the political leaders of this country. In this connection I can cite my own experience of what happened a few years ago. When I was convening a public meeting to protest against the Rowlatt Act agitation in Lyallpur, the then Deputy Commissioner of the District, who is now His Excellency the Governor of the Punjab, sent for me and told me in so many words that I was rousing passions which I would never be able to control later on. This is the same charge which has ever been levelled against all Congress leaders of this country. But, Sir, what do we find? As everybody knows, the political leaders had roused public opinion against the present system of administration, and the feelings were roused to such great depths that a civil disobedience movement was put into operation, but the same Congress leaders—may it be said to their lasting credit, may it be said to the perpetual glory of Gandhiji—have gone and raised their voice under the direction of Mahatma Gandhi and told the people to stop the movement, with the result that we find very little trace of the civil disobedience movement left in the country. On one side there is an organised Government, a Government whose word should have been respected by the local authorities, but we find that its orders have been respected more in their breach. In comparison with this is the phenomenon of the hold which the leaders have acquired over the masses. The discipline is so great that, as soon as the order for stoppage of civil disobedience goes out, practically the whole movement stops in one minute. May I ask if the Government of India are being demoralised slowly and steadily, if they are willing to confess that their hold on the Provincial Governments has become so loose that they cannot control the provincial magnates in their policy? The Honourable the Home Member, in reply to the question put to him this morning, said that the Provincial Governments would consider the question of release in a liberal

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spirit. I hope he will have the strength to write to the Local Governments asking them to obey the orders implicitly without delay.

Having said so much about the question of the release of prisoners, I now come to another point. There are several prisoners who are still rotting in jails and who have practically finished their term of imprisonment, and on one pretext or the other they are being detained. In this connection I would refer to the cases of certain conspiracy prisoners in the Punjab. I have again to make a complaint about the Punjab Government regarding the manner in which they are treating the political prisoners in that province. In 1914-15 when the war was on and the Defence of India Act was enacted, a certain tribunal was set up under that Act, and that tribunal tried several batches of prisoners. The first batch, which is known as the Lahore conspiracy case prisoners batch, was sentenced on the 13th September, 1915 and out of the 10 accused in that case—one of them is just sitting close to me, I mean Bhai Parmanand, who is a Member of this august Assembly—some were sentenced to death but their sentences were later on commuted to transportation for life. Some of them are still suffering imprisonment. The second batch was sentenced on the 31st March, 1916, in the second Lahore conspiracy case. There were six prisoners in that batch. Then there was a third Lahore conspiracy case in the same year, and two persons were sentenced. Then the fourth batch of this case was tried in Burma, and it was known as the Burma conspiracy case of 1915. Most of these prisoners are Sikhs, some of them are Hindus and one is a Muhammadan. Now, all these prisoners have been undergoing imprisonment since 1915. According to ordinary calculation, they have suffered imprisonment for 16 years, but if the exemptions granted to them by the Government in some cases by the order of the Government of India are taken into consideration, they have undergone more than 20 years imprisonment by this time. I have been unable to get at the records of the individual cases of these prisoners, with the exception of one Pandit Jagat Ram, and for the information of this House I will lay his case before the Honourable Members. Pandit Jagat Ram was convicted in the first Lahore conspiracy case. He was sentenced to death originally, but later on, His Excellency the Governor General in Council commuted his sentence to one of transportation for life. He was sent first to the penal settlement in the Andamans and was kept confined in the cellular jail at Port Blair from the 10th December 1915 to the 23rd August 1921, a period of five years eight months and thirteen days. He was granted two years and one month special remission under the sanction of the Government of India. Up to 13th January 1931, the prisoner has undergone nineteen years eight months and four days imprisonment, including the remissions earned in the jail as well as those granted by the Government of India. After the abolition of the penal settlement at the Andamans, most of the prisoners were repatriated, especially all those who were sentenced in the first Lahore conspiracy case. On his return, Pandit Jagat Ram was kept in different jails in the Madras Presidency and the Central Provinces. All the Provincial Governments adopted a definite attitude towards the Andaman returned prisoners. They adopted what is called the two-thirds system of remission, which means that two years of hard labour in the Indian jails is equal to three years in the Andaman's settlement. It is well known that a life prisoner has to pass fourteen years in the Indian jails and twenty years in the Andaman's settlement. Under no section of the Indian Penal Code can any accused be sentenced to a

period of rigorous imprisonment of over fourteen years. And a sentence of transportation does not mean rigorous imprisonment for twenty or twenty-five years. Its implication is that the prisoner shall be transported, unless he be physically unfit, to the penal settlement in the Andamans and live there in the settlement where he can breathe freely, move freely and associate freely in the various small convict colonies and can be a self-supporter earning his own living by any trade for which he may obtain a permit from the local authorities, and where he can live a family life and take part in celebrating many religious rites and festivals. Life thus being made easier in the settlement and not being very hard as in the Indian jails, it is laid down that a prisoner undergoing a life sentence in the penal settlement shall pass a period of twenty years, or in some cases of heinous crimes such as dacoity with murder, or burning the inmates of a house by setting fire to it, a period of twenty-five years. Pandit Jagat Ram underwent five years eight months and thirteen days rigorous imprisonment in the cellular jail at Port Blair, and not as a part of his sentence of transportation to the settlement which he was supposed to undergo. Therefore, for all practical purposes, it ought to have been taken as rigorous imprisonment and remission under the usual jail remission system should have been given to him. But it was not done.

In February, 1926, the case of Pandit Jagat Ram was submitted to the Punjab Government from the Jubbulpore Central Jail by Lieutenant Colonel F. A. Barker, M.A., M.D., I.M.S., then Inspector General of Prisons in the Central Provinces, with a special recommendation for his release. The Government in reply said that his case should be referred to Government after he completed fourteen years. In September of the same year he completed the prescribed period, and the case was duly submitted to the Punjab Government with the best remarks of the Jail Superintendent through the Central Provinces Government. The Punjab Government replied that under the two-third system laid down by Government one-third of the period passed by the prisoner in the cellular jail at Port Blair should be cut down for the purpose of counting his period of fourteen years, and that, therefore, the prisoner shall be eligible for release after he had done one year ten months and twenty-four days of hard labour in jail. Though such a consideration of the period of five years eight months and thirteen days which he passed in the cellular jail at Port Blair was uncalled for and illegal, for the prisoner was not allowed to go in the settlement, yet the Government persisted in this view. This period in the Andamans amounted to rigorous imprisonment in an Indian jail, less the privilege of quarterly interviews with the relatives and quarterly letters allowed to the worse criminal offenders in the Indian jails. But the prisoner in question silently bore it and let this further period of one year ten months and twenty-four days pass, till his case was resubmitted with the best recommendation for release by the Jail Superintendent at Jubbulpore. It was in January 1928. This time the Government ordered his transfer to the Punjab jails. He was brought to the District Jail, Ferozepore, in May, 1928, where he learnt that a letter was received by the Superintendent of the Jail from the Government to the effect that his case should be resubmitted for orders of the Government when he completed a further period of one year in the Punjab jails beginning from the day he arrived there. Even that year went by, and the case was resubmitted with the best remarks both by the Jail Superintendent and the Inspector General of Prisons who made an express recommendation for his release. But the Government was only pleased to reply

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that his case should be resubmitted after he completed twenty years imprisonment. Sir, the first condition of release was that he must complete fourteen years, then another year was added, when that too was over, again another year's condition was laid down. When all this period was over, the condition was still raised into completing twenty years imprisonment. Now, this gentleman has undergone imprisonment over the legal limit. May I ask why the same treatment is not meted out to these prisoners as is meted out to ordinary criminals? May I ask why this exceptional treatment, why this persecution, why this vindictiveness against these persons? They were convicted by a tribunal from whose orders there was no appeal and whose decisions were final. They do not claim any mercy; they only want their due. They have suffered for whatever they did; they have undergone punishment; and why should they not be released now? My submission is that somehow the administration is not fairly treating those prisoners who have had the misfortune of committing some offence, for which they have paid the penalty.

This brings me, Sir, to another subject relating to the civil disobedience movement, and that subject is particularly one in which my community is interested. I mean the happenings on the 6th May, 1930, in Delhi. On that day there were certain disturbances in the Delhi town, and in the course of those disturbances it is alleged that the police fired on the sacred shrine of Sri Guru Sis-Ganj Gurdwara, Chandni Chowk, Delhi. This Gurdwara is sacred to the memory of our Ninth Guru, Guru Tegh Bahadur. It is situated just close to the police station, Chandni Chowk, and it is alleged that on the 6th May, 1930, some brickbats were thrown from the Gurdwara and the police had to resort to firing on the Gurdwara. Now this allegation of the police has been questioned and a very modest request has been made to the Government that a non-official inquiry should be conducted and the allegations should be examined by an impartial tribunal. This too has been ignored. Though the Government have not considered the desirability of examining this question, yet several impartial bodies have examined the evidence and have come to some conclusions which I will crave the indulgence of the House to permit me to read. First of all I will refer to the communiqué issued by the Honourable the Chief Commissioner of Delhi regarding the firing at the Gurdwara. After giving the full history as to how the disturbance took place, the communiqué proceeds to state:

"Immediately after the rescue the Gurdwara was entered and searched by the Sikh and the Hindu police in co-operation with the Gurdwara authorities. The Granthi and the Guru Granth Sahib were left completely undisturbed and inviolate. All the Sikhs found in the Gurdwara who pleaded innocence were given the benefit of the doubt and were released. Only Hindu suspects found therein were retained in custody. No firing whatsoever took place inside the Gurdwara at any time, nor was any shot fired in the direction of the Gurdwara building beyond what was necessary to check the storm of missiles."

This is the conclusion reached by the official version and Honourable Members will find that the language used in the communiqué is very interesting. It says:

"No firing whatsoever took place inside the Gurdwara at any time,"

To an ordinary reader it would appear that there was no firing at all. An attempt is made to conceal the firing in the next sentence which reads,

"Nor was any shot fired in the direction of the Gurdwara building beyond what was necessary to check the storm of missiles".

Now, I will later on show from the report of the non-official Committee which was appointed to make inquiries into this affair that this portion of the communiqué is absolutely wrong. First of all I will deal with the inquiry conducted by a committee which was known as the Sis-ganj Gurdwara Committee and which consisted of one Christian, one Muhammadan, one Hindu and two Sikhs. Their names are Mr. K. L. Rallia Ram, a Christian gentleman who was Chairman of the Committee, Sirdar Gulab Singh, who was a member of the Legislative Assembly, Lala Ruchi Ram Sahni and Sardar Buta Singh, B.A., LL.B., M.L.C. These gentlemen conducted an inquiry and they came to these conclusions. In their report in para. 10 they say:

"It has been very difficult for us to find out whether any brickbats came from the Gurdwara; and if they did come, in what quantity. We have had no evidence whatsoever supporting the view that brickbats were thrown from the Gurdwara, although each and every witness on the first two days was specifically asked about it by one of our members, Sardar Buta Singh, M.L.C. On the other hand in our interview at the Chief Commissioner's house, we came to know from the Senior Superintendent of Police that brickbats came from the Gurdwara side in 'tons and clouds'. The City Magistrate also seemed to corroborate so far as the factum of the brickbats coming from the Gurdwara side is concerned. It is difficult for us in the first place to disbelieve an officer of such a high standing and experience as the Senior Superintendent of Police; yet on the other hand, we cannot swallow the statement easily, particularly as we did not notice a single leaf or flower or blade of grass to have been injured in the flower garden in front of the Kotwali where the policemen are said to have received the 'tons of brickbats'. Now, this place is just below the two roofs from which alone the brickbats could have come from the Gurdwara. Our own view is that either the brickbats came in such a large number from the fountain side that it was difficult for the police to know the direction. If they came in 'tons and clouds' then they must have darkened the atmosphere a little and made it difficult for them to judge rightly."

This is about the brickbat affair. Then about the firing they say:

"Before we take up the question of firing on its own merits we should like to give what we consider to be a more or less correct idea of the amount of firing and its duration. So far as our inquiries went, we were shown 686 marks of buckshots and bullets on the walls and columns and other places of the Gurdwara. Besides according to the evidence before us, 36 persons had received injuries in the Gurdwara. Some of the used up bullets and shots had been collected by the Police according to the evidence and some are still kept in the Gurdwara in a small bucket which too had been pierced by a bullet.

In our opinion, judging from the marks and the number of people firing, the least figure we can arrive at, is that somewhere between 125 and 150 shots were fired in the direction of the Gurdwara in addition to the bullets which came from two revolvers. In making this statement we must say that we have been anxious to take as safe and lenient a view of the matter as possible and to give every consideration to the parties concerned."

Then about the firing, the Committee say:

"Now, considering the duration, the number of marks on the walls and the way the police fired into the Gurdwara, we have no hesitation in saying that the firing was indiscriminate, vindictive and excessive."

This is the verdict of an impartial committee. Not only this, another inquiry was held by the Municipal Committee of Delhi which appointed a sub-committee to receive and consider all the available evidence regarding these allegations about the incidents that occurred on the 6th May 1930 and make its report within ten days. The gentlemen who formed the Committee were Khan Bahadur Abdul Rahman, Chairman, Lala Lachman Das, Lala Ram Pershad, Lala Shri Ram and Hafiz Abdul Aziz and Lala Harischunder. Now you will find that there was not a single

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12 NOON. Sikh in this committee. They were all either Muhammadans or Hindus. I am reading from only that portion of the report of their inquiry which bears on the Gurdwara. Now discussing the official report submitted by Magistrate who was appointed to carry on the investigation under section 176 of the Criminal Procedure Code, they say:

"Now that the Magistrate's findings are published, one cannot help remarking that, as anticipated, they are meant to whitewash the action of the police on a chapter of events which, to say the least, was extremely unfortunate."

About the Gurdwara they say:

"We note that it is alleged by the authorities that brickbats were thrown from the Gurdwara."

The evidence before us on this point is absolutely against it. But even if we take it for granted that there were some brickbats thrown from the Gurdwara side, we cannot find any justification for firing on the Gurdwara for about half an hour. Some of us have gone to the Gurdwara, where we have been shown the bullet and shot marks on the walls of the building and they amply corroborate the evidence produced before us. We cannot help finding that neither the firing on the crowd nor the firing at and inside the Gurdwara was in the least justifiable."

Now this is the finding of an independent Enquiry Committee on which not a single Sikh sat. There are also the findings of the Congress Committee, and the report of the Bar Association, Delhi. On this point, Sir, our grievance is—and Honourable Members will agree with me that this is a just grievance—that no attempt has been made to meet the very modest and very reasonable demand of the Sikhs that a non-official inquiry should be conducted into the affair of the firing, and if there was any fault of any police officer in respect of this firing, he should be brought to book. But, Sir, an absolutely deaf ear has been given to us in this matter, and this has aroused great resentment in my community. I hope that even now the Honourable Members on the Treasury Benches will concede this modest request of the Sikhs that an independent inquiry, though it is one year old, may even now be conducted into this question.

Last of all, Sir, I want to say a few words about the position of the Sikhs in the Punjab in the coming constitution of India. I crave the indulgence of this House in this matter because unfortunately during the debate on the Round Table Conference, though every interest had a spokesman who spoke, yet none of the Sikh Members of the Assembly was fortunate to catch the eye of the President on that occasion. So I have to place my case before you today, which is probably the last opportunity which I will get in this Session.

Mr. B. Das (Orissa Division: Non-Muhammadan): You will get many opportunities.

Sardar Sant Singh: Yes, after the Session. On this point, Sir, I want to explain the position of the Sikhs in the future constitution of India. The fact has been recognized in all responsible quarters that the rights of the minorities require to be safeguarded for some time. I know that communalism in any shape or form can never be consistent with the development of free institutions in a country; yet, till the time when goodwill and mutual trust take the place of distrust amongst the various communities of the country, it has been considered desirable that some safeguards should be devised for the protection of the rights of the minorities, and this is my excuse for saying something for the protection of the rights

of my community. In the Punjab, Sir, unlike any other part of India, the communal question has assumed a proportion which presents a problem by itself. In the Punjab there are three communities which occupy conspicuous importance. Unlike other parts of India, Muhammadans are in a majority, while the Hindus and Sikhs occupy a position of minority. The Muhammadans want protection as minority community in all other parts of India. Similarly the Sikhs claim the same protection in the Punjab on the same principle. But the Muhammadans are not only unwilling to extend the protection to the Sikhs as a minority community but as a matter of fact claim protection for themselves, though they are in a majority. This has complicated the situation in the Punjab. To the rest of India, the Punjab presents a problem by itself, and that is why the politicians of India, failing to appreciate the peculiar conditions of the Punjab, have called this province the Ulster of India. In order to clear our minds about this province, we are required to convince the public outside the Punjab that the Punjabis are not unreasonable, nor do they desire to place any obstacle in the way of the future progress of India. The position of the Sikhs particularly has been very clear. They do not want communalism in any shape or form in the future Legislature or in the services of the country. Though the Sikhs are the smallest community, yet they are prepared to stand on their own legs and enter into open competition on equal terms with all classes living in India. But in case communalism cannot be eliminated from the future constitution or from the services in India, the Sikhs claim that they should be accorded the same treatment as the Muhammadans and other minorities receive in other parts of India. Sir, I am sure that this is the most reasonable position and a logical one too to take up for any community. It is only to be regretted that communalism cannot be eliminated at present. Therefore, the principle of equal treatment to all communities is the next best thing that the constitution can provide. Some of the Honourable Members of this House are under the impression that the Sikhs are a part of the Hindu community and, as such, require to be classed with them and do not stand in need of any special recognition in the future constitution of India. Sir, I understand that this impression has been carried even in official quarters, who on account of political reasons are giving a favourable hearing to this plea. I take this opportunity, Sir, to try to remove any such impression. I need not, Sir, at the short time at my disposal enter into the history of the Sikhs: I will only content myself by saying that the logic of facts was too strong for the Government to deny this separate entity to the Sikhs in the last decade or two. Sir, at the time of the introduction of the Minto-Morley reforms, this fact was recognized but full recognition was extended to this only when the Montagu-Chelmsford reforms came into existence. In paragraph 232 of this Report the authors say:

"The Sikhs in the Punjab are a distinct and important community, they supply a gallant and valuable element in the Indian Army, but they are everywhere in a minority, and experience has shown that they go virtually unrepresented. We propose to extend to them the same protection as has already been adopted in the case of the Muhammadans."

When the All-Parties Conference met and drafted their Report commonly known as the Nehru Report, they too recognized this fact when they said:

"We recognize that the Sikhs are a distinct and important minority which cannot be ignored."

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In volume I of the Simon Commission's Report the Sikhs are described as nearer to Muhammadans than the Hindus:

"The religions of the Muhammadans and of the Sikhs, who go to form two-thirds of the population of the Punjab, do not recognize caste."

Similarly in the Census Report of 1921 it is said that "Sikhism was an attempt to reconcile Hindu beliefs with a purer creed which rejected polytheism or image worship and pilgrimages. It remained a pacific cult till the political tyranny of the Mussalmans and the social tyranny of the Hindus converted it into a military creed". These observations of the impartial observers made after due investigation should be sufficient to convince any fair minded gentleman that the Sikhs form a distinct community in the Punjab.

The Sikhs have a considerable stake in this province. Out of a total population of 20½ millions, 11½ millions are Muhammadans and 6½ millions are Hindus and 2½ millions are Sikhs. Besides this another million lives in the Indian States. The distribution of this population in the Punjab is also a factor to be taken into consideration, though in the Western districts, the Muhammadans are in a majority of about 80 to 90 per cent. The South Eastern area shows a Hindu majority of at least 60 per cent., while the central Punjab is mainly populated by the Sikhs. This was the centre of the Sikh power before the British occupation. Close to this population lie the important premier States of the Sikhs. They were the last rulers of this province. They form the most enterprising and progressive community, with considerable property. They are well advanced in education. They possess most of their religious temples and historic places in the Punjab and if one only knows the strong feeling the community has in respect of the places of its worship, one can judge the depth of devotion with which a Sikh views his province. The Sikhs contribute about 40 per cent. of the total revenues of the province, the Central Districts of the Punjab contribute 500 lakhs to the total revenues of the province, while the remaining 21 districts contribute only 515 lakhs. Though the Muhammadans are in a majority, yet their contribution to the revenues of the State is quite insignificant as compared to the contributions of the Sikhs. Their contribution to the Army for the defence of the country is still larger. The Punjab furnishes 54 per cent. to the armies of India; out of this, Sikhs supply 19 per cent. combatants. Thus though we form only one per cent. of the population of India and 11½ per cent. of the population of the Punjab, our contribution to the Indian Army is 19 times our percentage of population, while more than three times our percentage of population of the province. During the great War, the Sikhs supplied 89,000 combatants in addition to 30,000, who were already serving at the time of its outbreak. This will help us in recognising the importance of the Sikhs not only to the Punjab but to the whole of India.

The Government recognise the importance of the Sikhs, but they do not give adequate representation to the community in the Legislatures and services of India. The Sikhs were under the impression that they had served the Empire loyally. They fought the battles for the Empire in countries far away from India with distinguished gallantry. They have stood by the Government at times which were really hard for them, but

when the political power came to be distributed, they were simply ignored. This led to intense agitation amongst the Sikhs. During the last ten years, the Sikhs had to fight their political battle by joining their forces with those of other political workers. This set the officials thinking. They had to admit in their official despatches to the Secretary of State for India, that the change of attitude amongst the Sikhs was due to their having been ignored in the political advancement of India.

The Sikhs claim 30 per cent. representation in the Punjab. This claim seems to be unreasonable at first sight, but if the facts are studied, it will be clear that this claim is neither unreasonable nor illogical. Though the Sikhs form 11½ per cent. of the population, their voting strength in the Punjab is 24.1 per cent., while the same for Muhammadans is 43.7 per cent., so long as the property qualification remains to be the basis of franchise. How could the Sikhs be placed at a disadvantage? At present, though the voting strength of the Sikhs is 24.1 per cent., their representation is only 17 per cent. and a curious result follows: A Mussalman is returned by 9,500 votes, a non-Muslim is returned by 12,555 votes, whereas a Sikh is returned by 14,000 votes. Is this fair? Is it equitable? Is this the protection extended to minorities? The importance of Anglo-Indians, Europeans, Christians and Parsis is recognised only on the basis that they have got a stake in the country. Why should the same line of reasoning be not adopted in the case of the Sikhs. If the minorities are to be protected in the future constitution of India, then that protection should be effective. But the case of the Sikhs at present is that, instead of getting protection, they are being penalised and the protection is being extended to a majority community. If we were to fight our election in a joint electorate on proportionate single transferable vote, certainly our position would be far superior to the present one; even by the change of franchise we stand to gain rather than lose in our voting strength.

Apart from this, there is another aspect of the case which I will strongly urge my Honourable friends to consider. The Sikh community in the Punjab provides an element of strength, which it will be wise to consolidate rather than dissipate. Living in a province which is the gate-keeper of the whole of India, the Sikhs can keep a good balance between the rival contending forces. At the time of a future crisis, you may need forces that can only be supplied by the Sikhs alone.

In conclusion, Sir, I submit for the consideration of this House that the Sikhs have some interests in other parts of India as well as in foreign countries. We have no representation in any other province except in the Punjab. In times of ill-treatment of the Sikhs in foreign countries or even in India, they will have to look upon the Punjab Sikhs to protect them. If the Sikhs fail to have an effective voice in the Punjab proper, or in the Central Government, it will be impossible for us to look after our brothers. These are the considerations which weigh very strongly with us, and we expect that our case will be considered on equitable lines and we will be granted effective protection.

Mr. N. N. Anklesaria (Bombay Northern Division: Non-Muhammadan Rural): Sir, with the Finance Bill the Government come to this House and ask us to vote supplies. In the ordinary course of things, having passed the Budget, the other day, it would not be in accordance with the

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principle of consistency to oppose this Bill. However, there is another principle which I uphold whole-heartedly and with the fullest conviction and that principle is "Grievances before supplies". The grievances which the Honourable the Finance Member has been hearing of and will have to hear will be not one or two but legion. Some real, some partly real and partly imaginary, and I am afraid, very many, wholly imaginary. Indeed, Sir, if you read the speeches of Honourable Members in the debates on the Budget and the Finance Bill, you will be struck and struck very unpleasantly with the strange air of irresponsibility pervading them (Hear, hear). One may wade through page after page of the reports and may fail to come across a single helpful suggestion or a single constructive criticism. Sir, on previous occasions, more than one Honourable Member has admitted and admitted very definitely that it is not possible to effect any substantial retrenchment on the civil side of the Budget, except reducing a chaprasi here or a low paid clerk there. In spite of that admission, the Finance Member was persistently asked to search for directions in which the axe could be applied with some effect; and in response to the persistent demands of Honourable Members, the Finance Member in 1929, I think, appointed a special officer to explore avenues of retrenchment and report. When the announcement was made of the appointment of the special officer, Honourable Members got up and said that they did not want a special Retrenchment Officer. Why? Because the Retrenchment Officer appointed was an old man and a Civilian, and also because the Retrenchment Officer was not able to put his hands into the pockets of my Honourable friend Mr. Young. And the Honourable Members said that they did not want a Retrenchment Officer but wanted a retrenchment committee. Then in response to the persistent demands by Honourable Members for a retrenchment committee the Finance Member in his last Budget speech announced that if the House so desired he was willing to appoint a retrenchment committee with of course a non-official majority. Up gets an Honourable Member and says, "We do not want a retrenchment committee, we want retrenchment straightway".

(At this stage Mr. President vacated the Chair, which was taken by Mr. Deputy President.)

The very same Member in the course of his very same speech, though he had disapproved of a retrenchment committee, advocates in one and the same breath what he calls a committee to look into the Army expenditure.

Mr. B. Das: Will the Honourable Member kindly name the gentleman?

Mr. N. N. Anklesaria: That gentleman is Sir Cowasji Jehangir, the learned and gallant Knight from Bombay.

Then, Sir, it was suggested that the House should cut down the Military Budget. Some Honourable Member, however, realising that that was an impossibility under the present constitution, suggested that the Finance Member should make the Home Government contribute to our military expenditure. How that trick was to be done by the Finance Member the Honourable Member failed to suggest. Then, Sir, my Honourable

friend Sir Cowasji Jehangir in a very impassioned speech condemned all expenditure at the present time on the modernisation of the Army. Sir, I am not a military expert, but this much I venture to say, that if by ceasing to modernise we jeopardised the lives of some two hundred thousand of our soldiers, the flower of our manhood, we would be committing a sin of which the expiation would be very heavy. I need not labour the point, but I need only point out that when all civilised Governments are modernising their fighting organisations, to ask India to cease modernising and trust to the love and charity of her neighbours and potential enemies is very far from reason and, I am afraid, very near prejudice. Then, Sir, a very learned Honourable Member yesterday got up and propounded theories of international trade, theories which would make one believe that Bastial and Bastable, Leroy Beaulieu and Alfred Marshall were mere legendary personalities, personalities who inhabited the realm of fiction only, or at least men who had laboured and taught in vain. The same very learned gentleman told the House in connection with the ratio question that on everything that we exported we lost 12½ per cent.; and after making that statement he cites the authority not of an economist but of a Bombay merchant who is far more interested in exports than in imports and who knows, I am quite sure, much less of economics than the learned and Honourable Member himself. He cites that Bombay merchant as an authority against the conclusions arrived at by the Hilton-Young Report.

Mr. B. Das: Which Honourable Member is this?

Mr. N. N. Anklesaria: I am referring to my Honourable friend Dr. Ziauddin Ahmad.

After this is it any wonder to find an Honourable Member who professed to talk "as a practical business man" seriously suggesting to the Finance Member that in order to save military expenditure, he should embody the picketers who have been picketing our foreign cloth and liquor shops into a fighting force on honorary terms? And he was also careful to add that this honorary military force should be also officered by the present leaders of the picketers, also of course serving in an honorary capacity. The same Honourable gentleman also speaking on the duty on silver said that that duty will press very hardly on the starving people, who presumably are likely to have no connection with silver at all. Then, Sir, look at the vast number of cuts the Honourable Members suggested and after being satisfied with speeches and with their success in getting the House to listen to them, quietly withdrew. To borrow an expression from my Honourable friend Maulvi Muhammad Yakub, this criticism of the Budget is a criticism pregnant with futility and not serious criticism at all. Sir, I do not claim to be a financial expert, but I have read and I have taught finance, and if I have done that to some little purpose, I have no hesitation in saying that the Budget which the Finance Member has put before the House, considering the conditions, economic, political and constitutional, now obtaining in India, is a Budget which shows that the Finance Member has made the very best of a very bad job. Five years ago even

Mr. B. Das: Nobody denies that he has tried to make the best of a bad job!

Mr. N. N. Anklesaria: I am very glad to hear that; and therefore I say we should extend to the Finance Member not only our sympathy in his difficult job but our complete support to his proposals. I say this subject to certain reasonable amendments (*Cries of "Oh!"*) which my Honourable friends may be moving later on. (*An Honourable Member:* "What is reasonable?") I said reasonable amendments.

I will now take this occasion to speak on one, two or three topics, as time might permit, which have aroused keen feeling in the country, feeling which the Government must consider and cannot possibly ignore. We heard the day before yesterday speeches about the achievements of our Round Table Conference delegates in London. Today I want to put before the House other achievements of the Round Table Conference for their consideration. I think it was Abbé Sieyès of the French Revolution fame who is alleged to have boasted that he could make or construct a constitution within the space of one night. Our delegates to the Round Table Conference, very able and very learned men, and high-born ladies, by their united efforts, have been able to propose a constitution within the space of nine weeks. The want of consideration which our delegates ought to have been able to extend to their proposals is very patent from the very first resolution or I should say, decision, I do not know which it is, which they arrived at. I mean their resolution or decision on the question whether the future constitution of India was to be a federal or unitary constitution. On this issue the Round Table Conference sat for five long days; but if you peruse their debates, what do you find? You find the whole period of five days taken in complimenting one another and enunciating bare platitudes hardly having any connection with the specific issue before the Conference. There were several speakers at the Conference, but very few really spoke on the specific issue of federation or unitary state before the Conference, and it appeared from the discussions that everybody took it for granted that the future constitution of India was not to be a unitary state, but a federation. I do not know how that thing was taken for granted; but the debates clearly show that the matter was considered almost beyond discussion. You find some doubts expressed by my Honourable friend, Mr. Jayakar; you find some criticism by Sardar Ujjal Singh. You find positive misgivings expressed by the depressed classes representative, Dr. Ambedkar and you have a neat little speech by the gracious and gifted consort of my friend, Mian Muhammad Shah Nawaz, a speech clear, but equally unconvincing. (*Cries of "Very convincing"*.) Lastly you have got a written speech submitted by the representative of a Native State which, if you consider it in all its implications, speaks more in favour of a unitary state than of a federation. This is about all the serious and constructive thinking which the issue about the future constitution of India appears to have received at the Round Table Conference, and I agree with the opinion of my Honourable and esteemed friend, Raja Bahadur Krishnamachariar, that the case for the unitary idea has gone by default at the Round Table Conference. If you look to history, if you consult contemporary experience and if you follow the dictates of common sense, you cannot but come to one conclusion and one conclusion only that the only constitution suitable for India is not a federation but a unitary constitution. Talking of history, I take two instances—one from ancient history and one from modern history. As

regards ancient history,—I have not got much time to develop my ideas. (*Several Honourable Members:* "Please go on; there is no time limit; go on.") You will remember, Sir, that the only cause of the failure of the Greek city States was that they were unable to unite and form a strong unitary state. We had loose federations of Greek States; we had occasionally confederacies the Achaean League and the Aetolian Federation, but these Confederacies and Federations went down before the strong centralised unitary State which was founded by Phillip of Macedon. Now, Sir, turning to modern history, I ask what is the supreme achievement of Akbar? Akbar found India a congeries of warring States, Rajput, Afghan, etc., and he was able to unite them into one nation so far as Northern India was concerned, I mean above the Vindhya. I ask again, Sir, what is the supreme merit of the British work in India? I say when the British power was founded, they found India disunited and disintegrated into warring States,—Marathas, Rajputs, Sikhs, Mussalmans, and it is the supreme merit of the British that they united this congeries of warring States into one united India. (*Hear, hear.*) Sir, if you look to the history of Warren Hastings' administration, you will find that we had some semblance of a Federation in India then. We had got the three Presidencies, Bengal, Bombay and Madras, each administering and legislating its own laws. It was in 1773, Sir, that by Lord North's Regulating Act, Warren Hastings was made the Governor General of India and the Presidencies of Bombay and Madras were put under the Presidency of Bengal, but it was found that the three Presidencies were pulling in different ways. In fact, we know that while the Bombay Government declared war on the Marathas, the Bengal Government made peace with the Marathas, and so also the inconsistent doings of the Madras Government and the Bengal Government in their relations with Hyder Ali of Mysore. (*An Honourable Member:* "That looks like a Federation.") It was in 1833 that the centrifugal tendencies of Madras and Bengal Presidencies were sought to be checked by depriving them completely of their legislative powers. The same process, Sir, continued up to the time of Lord Curzon in whose time we find India emerging as a strong, centralised, unitary State which enables my friend the representative of the depressed classes, and my friend over there representing the highest caste of Brahmins, my friend from Madras, and my friend from Bengal, all to sit together in this House today discoursing sweet reason,—nay, politics.

Mr. B. Das: We will do the same in the Federal Assembly.

Mr. N. N. Anklesaria: Sir, the Round Table Conference proposal by one stroke of the pen seeks to do away with the progress and development of 150 years and plunge India into disunion and disintegration from which the British redeemed it, and we are asked to glory in that dismal prospect!

Sir, there is one and one criterion to judge as to which form of constitution would be suitable for India, and that criterion is, which form of constitution will maintain and further national unity, which form of constitution will control and keep in check the several centrifugal forces which are operating on the Indian body politic? I say, Sir, the question

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could be answered in one and one way only. Federation is only a transitional stage as writers on politics will tell you, and that transitional stage we have passed long ago. When you speak, Sir, of a federation developing into a unitary state, I say you talk sense, but when you talk of a unitary state developing into a federation, I say you talk unadulterated nonsense. (Laughter.) Such a process has never taken place in the history of the world, and I would challenge the very able and learned delegates from the Round Table Conference to cite one single instance in which a unitary state has become a federation. (An Honourable Member: "Mr. Mudaliar will accept the challenge.")

Mr. T. N. Ramakrishna Reddi (Madras ceded districts and Chittoor: Non-Muhammadan Rural): All the modern federations have developed out of unitary states.

Mr. N. N. Anklesaria: I am coming to that presently. My friend, Sir, is talking of all modern states having developed out of unitary states, and the examples of Canada, the United States and Australia have been thrown at us. I say, I have not got time to enter into the details. (Several Honourable Members: "Please go on.") but I can do nothing better than read a few lines from the Honourable Mr. Brand's "Union of South Africa" as to what can be said about the federal system of constitution:

"In South Africa this fundamental principle of the supremacy of Parliament has in three colonies been greeted as the great achievement of the Act, and in the fourth has been condemned as a disastrous error. But, notwithstanding the hot opposition of critics in Natal, which the history and circumstances of that colony render natural, there is little doubt that opinion in South Africa is overwhelmingly in favour of the unitary as opposed to the federal principle. The panegyrics which American writers have been accustomed to lavish on the Constitution of the United States, and the imitation of that Constitution by Canada and Australia, probably explain the widespread opinion that federalism is a form of government to be sought as an end in itself, and not one which should be accepted only when nothing better can be obtained. But federalism is, after all, a *pis aller*, a concession to human weakness. Alexander Hamilton saw its dangers and only acquiesced because by no other means was union possible. In Canada Sir John Macdonald strongly favoured a legislative union, but was obliged to bow to the intense provincialism of Quebec. In Australia the narrow patriotism of the different states has imposed upon the Federal Government limitations which are generally admitted to be checking that country's advance. Federalism must be accepted where nothing better can be got, but its disadvantages are patent. It means division of power and consequent irritation and weakness in the organ of government, and it tends to stereotype and limit the development of a new country. It is remarkable that South Africans should have succeeded where almost all other unions have failed, in subordinating local to national feeling, and that the people of each colony should have been ready to merge the identity of their state, of whose history and traditions they are in every case intensely proud, in a wider national union, which is still but a name to them. The truth, as has already been stated, is that bitter experience has taught them the evils of disunion. The lesson is confirmed for them by the difficulties in which Australian federalism is foundering."

Only the other day we read in the papers that there is a talk of secession on the part of one of the States of the Australian Federation. (An Honourable Member: "New South Wales.")

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Not secession, but split.

Mr. N. N. Anklesaria: You call it split, I call it secession, and both mean the same thing.

Sir, I will put only one aspect of the picture which will be presented to you, if the able men, who were our delegates to the Round Table Conference, had succeeded in their designs. India is, as you know, a country in which there are Hindus and Muhammadans. There are Hindus who are in a majority in several provinces, and there are Muhammadans who are in a majority also in certain other provinces. This circumstance leads to the development of what John Stuart Mill calls permanent majorities. If you have got permanent majorities in a Government, what the position of the minorities will be you can very readily imagine. I can see a time when the Muhammadan majorities on the Western side of India will seek to unite the provinces in which the Muhammadan element is predominant. I can see a time also when the Hindu majorities will try to unite together and form a Hindu India on the other hand. (Mr. B. Das: "Don't be suspicious.") (An Honourable Member: "What about a Parsi India?") I say, Sir, the only system of Government which can hold in check the centrifugal forces operating on the body politic is a highly centralised unitary state and not a federation. Sir, some of my Honourable friends have been smiling at what I have been saying. (Laughter.) I do say that it must be striking them as very laboured at this idea, I a poor lawyer should get up in this House and talk against it. But I am not pitting my personality against the personalities of the able delegates of the Round Table Conference. I am pitting my arguments against their arguments, and I say let us examine the arguments which have led people to believe that a federation is more suitable than a unitary constitution for India.

Sir, it is said that the Montagu-Chelmsford Report favours federation. I have looked into that Report. There are two and only two paragraphs,—paragraphs 120 and 349,—of the Report which talk of something akin to federation, and not federation at all. In paragraph 120 the Report is very careful to point out that, in the process which India should follow in its further development, the federal principle does not and cannot enter—these are their very words—and they visualise in the very same paragraph a constitution which is not a federation, but they say a constitution which may have the *external semblance* of a federation. It says, "may have the external semblance" only. Then, it is asked, how can you have a unitary state when you consider the vast populations you have got in India? I say, when you talk of vast populations in this connection, you think of the facility of contact between the elector and his representatives. Today I say that there is more facility of contact between the elector in Madras and his representative sitting in this House than there was between a Scotch elector and his representative sitting in the British Parliament a hundred years ago. Then they say, look at the vast areas in which the constitution has to work. I say again, when you talk of vast areas in this connection, you think of the facilities of communication between the Central Government and the Provincial Governments. I say with our means of communications—wireless, the aeroplane and all that—there are more facilities of communication today between Madras and Delhi than there was between Edinburgh and London a hundred years ago. When I was discussing this topic with several of

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my friends, one of them asked me, "Don't you want provincial autonomy?" How are you going to get provincial autonomy in a unitary state? Now, Sir, provincial autonomy is a phrase which is liable to much abuse. It has got two meanings, and people often confuse those two meanings. Provincial autonomy in one sense means freedom of the Provincial Government from the interference of the Central Government. In the second sense provincial autonomy means government of the province responsible to the people of that province. In the second sense I do not think there can be any Honourable Member in this House who would think that we should not have provincial autonomy, provincial autonomy in the sense of responsibility to the elected representatives of the people in the provinces. There can be no question about that, but as regards the other class of provincial autonomy, a provincial autonomy which tends to keep a Madrasi a Madrasi, a Bengali a Bengali and a Guzerati a Guzerati a provincial autonomy which accentuates and does not annihilate our parochial, racial and communal differences and divergencies—I say God save us from such a provincial autonomy. Then, Sir, it is asked, "How can you fit in these Indian States in your scheme of a unitary state?" I quite admit that. You cannot fit in autocracy in a democracy unless the democracy becomes autocracy or the autocracy becomes democracy. I quite admit that, but if the price, which the British Indians have to pay to include the Indian States in the proposed constitutions, is what it must be, I say that price will be too heavy and we can safely spare ourselves that. Sir, it would be far from me to say anything at the present juncture which would in any way embarrass the Political Department, which possibly may be conducting very delicate negotiations. I will therefore say nothing about the serious disadvantages and the very serious danger of including the Indian States in the proposed future constitution of India. Sir, it is possible that I have exaggerated the case of the unitary constitution, but if that exaggeration could include our delegates at the Round Table Conference to move for a reconsideration of the whole position on that issue, the time of this House will not have been wasted. I say, Sir, if you must have federation, that federation must be of the close type of South Africa and not the loose type of the Swiss confederation or Australia or Canada.

Sir, I now pass to another topic which has given rise to very strong feeling in the country. I come to the policy adopted by the Government as regards discriminating between communities. Today, Sir, nothing is acting as a greater or more potent cause of discontent among the non-Muslim communities than the policy of preference which rightly or wrongly the non-Muslim communities believe has been extended to the Muslim community. I do not know the conditions outside my Presidency, but in Bombay today a Brahmin's son, a bania's son or a Parsi's son is denied admission in the educational institutions of the country simply because he is born a Brahmin, a bania or a Parsi and that simply in order to enable the authorities to admit Muslim boys in preference to the non-Muslim boys. Sir, today in the Presidency of Bombay, a Brahmin, or a bania, or a Parsi has been denied posts in the Government service because Mussalman candidates have to be provided for. (*An Honourable Member*: "Shame.") It is nobody's fault. I am simply stating it as a fact which I must bring to the notice of Government because it has created an amount of discontent

which if the Government will only realise it will lead them to make some changes in their policy. I say also to my Muslim friends that with their energies dwarfed and their faculties atrophied by the continual spoon-feeding of favouritism, they themselves will be the greatest sufferers because, what answer will they make when the 7 crores of depressed classes ask to compete with them in their own game? It is for them to consider. What would be the fate of the Muslim community in the future constitution if it has got to rely not on efficiency, not on ability to hold its own against other communities but on Government preference and favouritism. It is for them to consider that. This is all I have to submit, Sir, on the present occasion; I shall of course have to say something later on the amendments to the Finance Bill.

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.

Rai Sahib Harbilas Sarda (Ajmer-Merwara: General): Sir, I wish to say just a word with regard to what has fallen from my Honourable friend Mr. Anklesaria with regard to the suitability or otherwise of a federal system of Government for this country.

An Honourable Member: He is not here at present. Perhaps he may come later on.

Rai Sahib Harbilas Sarda: So long as he gave expression to his own opinion as to whether a unitary system of government or a federal system of government would be suitable to India, he was on safe ground; but his inroad into ancient and modern history has landed him into difficulties, and the incursion was very unhappy. Any student of ancient history knows perfectly well that it was not because the Greek States had a federated constitution that the Persian Emperor won a victory over them. It was exactly the opposite. It was because the ancient Greeks could not federate, it was because they could not come into a federation that the Persian Emperor Xerxes was able to achieve victory over the Greeks, though those victories were almost pyrrhic in character and consequences. If the Greek States, Athens, Macedonia, Sparta, Thebes and others could have combined and formed a federation, if they had made the entire Greek population one nation under a federated constitution, then the Persian Emperor Xerxes would not have been able to win the victory that he did.

Students of Rajput history know very well, in fact, any student of Indian history knows very well, that if there had been a federation of the Rajput States, the Moghul Empire would not have come into existence. The war between Rana Sanga and Babar showed clearly that when even there was a federation on a small scale and only a temporary one, the cause of Babar became almost hopeless. If the States of Rajputana had a federal constitution and regarded Rajputana as one country with one constitution under

[Rai Sahib Harbilas Sarda.]

a federal system, neither the Pathans nor the Moghuls would have found it possible to win their empire in India. It is exactly because there was no federated system, no federation in India and in Greece that the Persian Emperor and the Turks were able to found their Empires and win victories in those days.

Mr. N. N. Anklesaria: May I rise to a point of explanation? I said that federation was a transitional stage between a unitary state and a looser class of political entity.

Rai Sahib Harbilas Sarda: My Honourable friend stated plainly in his speech that it was because of federation that nations had lost their freedom or at any rate they were defeated, and he gave two examples from ancient and mediaeval history. I have got up only to show that it was not because of federation, but it was because of absence of federation that people of ancient Greece and Indians fell a prey to the invaders.

Mr. N. N. Anklesaria: Looser class of union.

Rai Sahib Harbilas Sarda: Apart from this, students of contemporary history know that to have a federation or a unitary government is not a matter of one's choice. No country presents a problem to its people and gives them the choice between federation and unitary government. It is never like that. It is only where political conditions, and conflict between provincial and communal interests present very great difficulties which sometimes are insuperable, that the federal system of government is adopted, because that alone is capable of solving those problems which a unitary system is not capable of solving. The unitary system of Government is possible only where there is an absolute unity of economic, social and political interests. When these conditions do not exist, a unitary government is not possible and a federal system of government has to be adopted.

Apart from the fact that so far as India is concerned, it is the federal system alone that can win us responsibility in the Central Government, apart from the fact that in order to have a uniformity of conditions, economic and political, throughout British India, a federal system of government is necessary, apart from all these things, there is a very important matter that deserves consideration, and that is, that if we want to pull up the subjects of the Indian States of India to the political and social level of the residents of British India, a federal system of government is absolutely necessary. No other means can be found at the present moment by which we can establish the same economic and social and political conditions, giving the subjects of the Indian States the same political rights as are enjoyed by residents of British India, not at once of course, but which make the grant of these rights absolutely certain, except the federal system of Government. For that purpose alone, if for nothing else, it is very necessary that India should at the present moment, in the present condition of things, have a federal system of government. It is a matter of rejoicing and a matter of congratulation that Their Highnesses the Maharajas of Bikanir and other Princes who were present at the London Round Table Conference had the patriotism and the statesmanship to envisage the great future that is before India and accepted a federal system of government. They must have known, Rulers as they are of large territories, that it is not possible for them to keep up the present system of Government—or personal rule as I would prefer to call it—in the different States when a democratic form

of government is obtaining in the whole of British India. Knowing all that, they were still patriotic enough and had the foresight and statesmanship to accept a federal system of government because they had the interests of India as a whole at heart. It is to the credit also of all the British Indian delegates who went to the Round Table Conference that they accepted the federal system of government, for in the present circumstances, so far as we can think, a federal system of government is essential to win us our rights and our proper place in the British Empire.

Raja Sir Vasudeva Rajah (Madras: Landholders): I had no intention of taking part in today's general discussion, but after the speech that my Honourable friend Mr. Anklesaria made condemning the federation scheme evolved by the Round Table Conference and raising doubts as to the wisdom of taking in the Indian Princes into that federation, I feel, Sir, that I should say a few words to express what we, on this side, feel. I listened with real interest to the speech of the Honourable gentleman from Bombay who spoke, no doubt, as he himself claimed, from his own conviction, from his reading of the constitutional history, from his study of the growth of federation all the world over, and also from his understanding of Indian history, when he showed his preference to the unitary as opposed to the federal system. I, however, have read history differently and in this I happen to be in the distinguished company of the talented supporters of federation at the Round Table Conference. I am willing to concede that theorists and constitutionalists do hold different points of view in regard to the relative merits and superiority of the unitary and the federal systems. It however is now too late in the day to wander in regions of academical controversy, ignoring the growth of public opinion in the two parts of India, namely, British India and Indian India, and the unambiguous expression of that opinion by the representatives of the Princes and the people who showed a unanimous preference for federation. Even statesmen like the Right Honourable Srinivasa Sastri who hold contrary opinions have now become willing and enthusiastic converts to the creed of federalism. The Honourable Member from Bombay, Mr. Anklesaria, was, if I may say so, only flogging a dead horse. He was trying to belittle the achievements of the Round Table Conference. Speaking on behalf of the landholders in this Assembly and on my own behalf, I should like to express our sincere appreciation of the great work done by the members of the Round Table Conference, and the results so far achieved, especially the conception of a scheme of federal government which we whole-heartedly welcome. Although there may be differences as to details, yet I can confidently say that the resolutions of the Conference are fairly satisfactory and afford a good basis for further negotiations and supply adequate foundations for building the superstructure of the Indian constitution. Two features are specially noteworthy in this connection and are welcomed by the classes which I represent. The first is, thanks to the comparative unanimity achieved at the Conference and the unhesitating declaration made by the Princes and Ruling Chiefs that they would throw in their lot with other sections of the Indian population, the whole outlook in England towards the Indian problem has been profoundly modified. It is undeniable that British opinion is thoroughly reconciled to the vesting of responsibility for the government of India in practically all its departments in elected legislatures and responsible executives. This result would not have been possible if only a portion of India were sought to be dealt with and if Indian India were not also a part of the contemplated structure. The second feature to which I desire to advert

[Raja Sir Vasudeva Rajah.]

is the securing of the stability of points of view and administration by uniting with the democratic elements those elements who have a vital interest and stake in the country. Here I must say that I entirely disagree with the views expressed by a few of my friends in this House about their apprehensions consequent on the entry of Indian Princes into the federal constitution. Their entry will be most valuable from every point of view, and especially in acting as a moderating influence in a system where popular gusts of passion are likely to take the country and the Legislature off their feet. The inclusion of the representatives of the Princes and of commercial and other interests in an effective manner in the constitution will prevent any such catastrophe. At the same time the impact of the democratic elements on the Indian States' representatives is bound in turn to produce a great effect upon the internal administration of the States, though not directly, and to level up those administrations more or less swiftly. Moreover, the possibility of transferring effective control over the defence forces in a manner consonant with the safety and well-being of the Empire is made very much easier by the participation of elements to whom military traditions and a military career are familiar matters. A definite scheme of the Indianisation of the Army and the gradual vesting in Indian hands of the responsibility as well as the glory of defence and the control over Army expenditure by Indians with a view to Indian interests are matters which have to be carefully considered in the further stages of the discussion. Moreover, there are many vitally important, though very difficult, questions connected with the finances of India which have to be elucidated. Without an adequate and real control over financial and fiscal policy, responsibility and self-government would be illusory, and if sufficient stability is secured to the constitution, there is no reason why the completest control of the finances of India should not be vested in Indians, subject of course to such ultimate safeguards as are essential to preserve the credit of India in the eyes of the world and to guard against a policy leading to bankruptcy. All these will be rendered feasible only if the responsible statesmen presiding over the destinies of the Indian States join hands with us in British India in making the administration of the United States of India the great success that the scheme of federation promises.

Mr. B. V. Jadhav: Sir, after full two days' debate on the work of the Round Table Conference, I was under the hope that that useless Conference and its work would be relegated to the region of forgetfulness at least by this House. But my friend the Member from Gujerat has brought forth this subject and has proved to the satisfaction of this House that the work done there was quite useless, that in accepting federation as the ultimate goal they have made an egregious mistake, and that the salvation of India and the whole world lies in returning to the unitary form of government. My friend Mr. Anklesaria has gone deep into history and has brought forth the experiences not only of Greece and of Rome but of ancient India and present-day India. His reading of history is no doubt very creditable and I make bold to say that he has mistaken his profession. He ought to have been appointed a Professor of History in some University. The failure of the work of the Round Table Conference ought, I think, to be laid at the doors of His Excellency the Viceroy and the Ministry in England because they did not recognise the merits of Mr. Anklesaria and failed to include him on it. Perhaps this mistake might be excused as Mr. Anklesaria had contrived to conceal his light under a bushel up to

this time. That light has now shone forth and I am perfectly confident that His Excellency the Viceroy will pick him up and take the earliest opportunity of nominating him to the Round Table Conference. If necessary, I shall be very willing to make room for him. Sir, the statesmen that sat at the Round Table, including His Lordship the Marquis of Reading and the Prime Minister, and the Indian statesmen like the Maharajas of Bikaner and Baroda and Sir Tej Bahadur Sapru down to your humble servant representing the non-Muhammadan constituency of the Central Division of Bombay, committed a number of grave errors no doubt. They ought to have strongly gone in for the unitary form of government according to Mr. Anklesaria. But I may point out to this House that the trend of the whole politics of the British Empire is from a unitary form of government to a federal form of government. (Mr. N. N. Anklesaria: "Question!") The different Dominions that have been formed have adopted a federal form of government and in that respect the whole administration is going from the unitary form of government to the federal form of government. Not only that, but since the time England admitted the Dominions as equal partners in the British Commonwealth of Nations, they have been telling the world that it is a federation and not a unitary form of government. The British Empire is developing on the federal idea and ultimately it is expected to be a strong federation of equal partners in the Empire. England began with a unitary form of government. The King of England was the King and even now he is the King of all the Dominions. But the form of government that has been developing gradually, and many a time imperceptibly, is leading the British Empire into a big federation, and this idea was present to the minds of the politicians who took part in the Round Table Conference, and they chose the federal form of government as the most suitable form for British India, a form which will lead them to complete Swaraj. I may point out Mr. Anklesaria that when the Government of Bombay considered the Report of the Royal Commission, they ultimately came to the conclusion that the federal form of government was the only form which could bring within its fold the Indian States, and thus far I may point out to him that the subject of federation was not a complete surprise.

I need not take up further time on this subject, but I have to say something on the other point which he brought forward; viz., the educational policy of the Government of Bombay, in so far, as he stated in this House, that the children of the Brahmins, the Banias and the Parsis have been denied admission into the high schools and colleges and the vacancies are reserved for Muhammadans and other backward communities. I do not think any elaborate defence of the policy of the Bombay Government is necessary in this House. That question has been debated more than once in the Council of that province and the policy has been sufficiently vindicated. Accommodation in the Government high schools and colleges is not indefinite. You cannot expand the accommodation according to the number of students seeking admission. There is a limit to that number, and as long as the Mussalmans and other backward communities were apathetic towards education and did not seek admission into the high schools and colleges, Government had no reason to make any rules as to a particular percentage of admission from particular communities. But when there was an awakening among the Muslims and others and when it was found that it was difficult for them to get admission because the number of students that sought admission was a very large one, then in fairness

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it was found necessary to give preference to the boys of the Muslim and other backward communities. All the subjects in British India and in the Bombay Presidency pay taxes and thus provide for the expenditure that is incurred on education by that Government. All the subjects have got equal rights for taking advantage of educational institutions. But if owing to apathy or some other cause, the backward communities did not take advantage of the educational institutions in former days, there is no reason why in future also they should be precluded from taking advantage of them. They had at least an equal right to claim admission into the high schools and colleges in proportion to their numbers in the population; and as long as that proportion was not admitted into the educational institutions it was the duty of the Government to see that some provision was made for them to enjoy that right of admission, and for that purpose a rule was made that in future fifty per cent. of the vacancies among students in high schools should be reserved for these backward communities, while the other fifty per cent. was left open to all the communities alike. So, I do not think there was any partiality or favouritism done by the Government of Bombay. All that they did was to give justice on a very moderate scale to the backward communities. This, a reply to Mr. Anklesaria.

I would like to touch upon one other point which Mr. Sant Singh has placed before this House. Sardar Sant Singh claimed that there has been some considerable import of wheat into India and that that wheat competed with the indigenous wheat of the Punjab and other places and therefore in order to help the agriculturists in those parts he proposed that an import duty should be placed upon wheat so that foreign wheat should not come into this country and the price of wheat in India should rise. I on my part cannot subscribe to this point of view. I am strongly of opinion that the food of the people should not be taxed and its price should not be artificially increased in the country. If Mr. Sant Singh wanted to favour the wheat growers, then there is no reason why we should not favour the cultivators who grow cotton and other crops—linseed and other agricultural produce. To select wheat only for special treatment is rather invidious, and it will not only fail to lead to the desired effect, but I think it will turn out to be very injurious to the interests of India as a whole. Wheat is a world commodity and its price is regulated by the state of the world's market and its consumption and supply. The price of wheat outside will not be affected by any import duty that may be levied in India. But the price of wheat in India may, on account of the import duty, be raised and to that extent the food of the people will rise in cost. The price of other food grains, such as jowari, bajri and rice is dependent upon the price of wheat. When the price is equal to or higher than that of wheat, people do consume more wheat and do not look to the coarser grains such as jowari or bajri. So if the price of wheat rises on account of the imposition of an import duty, the price of bajri and jowari also will rise in sympathy with the rise of price of wheat and in this way the food of the whole people will become more costly, and this is not at all desirable. There is a school of thought which thinks that all the wrongs and ills of India can be remedied by this one method of raising the tariff. They think that the industries of India can be encouraged to any extent if only the expediency of raising a high tariff wall is taken advantage of.

But every remedy has got a reaction and therefore whenever it is necessary to raise the tariff or levy higher import duties, it ought to be done after very careful enquiry into the pros and cons, the advantages and disadvantages and other things. I would ask Government not to take any hasty action on the strength of speeches made in this House. But if they

think that the question of a tariff on wheat should be taken up 3 P. M. by Government, the best thing for them to do would be to refer the question to the Tariff Board. I do not think we on this side are great experts able to advise the Government on this point. We may at the most bring up a subject for discussion and explain one side of the case, but the Tariff Board has been appointed to examine such economic questions from all points of view, and therefore it is their function to say whether an import duty should be levied on wheat or on any other article.

Mr. Goswami M. R. Puri (Central Provinces: Landholders): Sir, many speakers during the Budget discussion have been able to establish the fact successfully that the policy of the Government of India has been one of increasing the expenditure of the administration day by day and thus putting an unbearable burden upon the tax-payers and also upon the poor tenants who constitute a major portion of this country. I will try my best, Sir, to deal with the same subject rather from a different point of view.

It is an indisputable fact that the general depression has spread all over India, for some reason or other. The first and foremost point which strikes everybody is, why should the Government of India be required to spend such a big amount every year for the maintenance of the administration of India then the same could be easily carried on at a comparatively less cost!

Yesterday, my friends Dr. Ziauddin Ahmad, Raja Bahadur G. Krishnamachariar and several others were able to establish the fact that the present policy of the British Government of India with reference to spending huge sums of money unnecessarily on various departments is totally unjustifiable. Had the Government of India followed sincerely the recommendations of the Indian Retrenchment Committee, that is the Inchcape Committee, I am sure the poor people of this country would not have been buried under the burden of such a heavy taxation.

Sir, the whole of India is, as I have just pointed out, undergoing a general depression, and it would certainly have been most becoming on the part of the Government if the various taxes which have been levied on the people of India—and to which the Government contemplate adding additional taxes—had been reduced to a reasonable standard at such a critical time. I do not mean, Sir, that the Government of India should not tax the people at all, but what I mean to insist upon is that a moderate and reasonable scale of taxation should alone be introduced.

Sir, during the Budget time many of the Members on this side have suggested the possible and reasonable ways of curtailing the expenditure of the Government of India and even during this discussion the same point is being discussed. It is not, Sir, that the expenses of the administration of the Government of India are extravagant in the Military Department but if one were to scrutinise all the Departments minutely, I am sure, Sir, he would be fully convinced that the same was the case with the rest of the Departments as well.

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No doubt, the Military Department deserves a great deal of retrenchment, but other Departments like Posts, Telegraphs and others also deserve a great deal of curtailment without affecting the efficiency of maintaining the administration. Sir, I would invite your attention to one of the paragraphs from the Report of the Indian Retrenchment Committee on Posts and Telegraphs. This is what they say:

"The number of officers employed has increased from 514 in 1913-14 to 679 or 32 per cent., whereas the number of other staff has only increased by 17 per cent. * * * We think that the number of officers should be reduced to the level necessary to maintain the same ratio of officers to other staff as that which obtained in 1913-14. This effects a total saving of 88 officers costing roughly Rs. 6 lakhs per annum."

But we are sorry, Sir, instead of following strictly the instructions of the Inchcape Committee, the Government of India have been able to reduce only 6 officers, thus ignoring the recommendations of the Inchcape Committee. If the Government seriously contemplate reducing expenditure of the Department, they will necessarily have to reduce the number of officers. At present the Department spends—I am speaking of the Post and Telegraph Department—on an average Rs. 694 per month for an officer, excluding special pay and allowances, and Rs. 42 per month for a subordinate. The Department, therefore, expends nearly 17 times more for an officer than for a subordinate. The saving effected by reducing one officer will be equal to that effected by 17 subordinates.

Now, Sir, there is considerable scope for effecting retrenchment in the controlling and supervising establishment. The Controlling officers are: (a) the office of the Director General, Posts and Telegraphs (b) the Offices of Postmasters General and Director of Posts and Telegraphs and so on. Now, as regards the Directorate, about two years ago there were three Deputy Directors General in the office of the Director General, but since the last two years, the post of an additional Deputy Director General has been created. Considerable retrenchment in the subordinate staff of the office has been effected, which goes to show that the volume of work has decreased due to delegation of some of the Director General's powers to the Postmasters General. There is no necessity for the 4th Deputy Director General and the post may be safely abolished. Similarly, two out of six posts of Assistant Directors General may be abolished. This will effect a saving of 70 thousand.

Then as regards Circle officers, there are 14 Deputy Postmasters General, of which nine posts may be safely abolished. Each of the Circles of Bombay, Madras, Punjab and the U. P. have got two Deputy Postmasters General and Assam and Bengal Circle has got three. One Deputy Postmaster General for each of these Circles will be quite adequate and the other posts may be safely retrenched without any deterioration of efficiency.

There were formerly no Deputy Postmasters General in the smaller Circles of Bihar and Orissa, Central Provinces and Burma but now each of them has one. The Postmasters General in these Circles are not required to remain away from headquarters for a long time and they can well manage their Circle with the help of the Assistant Postmasters General. The post of the Deputy Postmaster General in each of these smaller Circles may be retrenched without any deterioration of efficiency. *This will result in a saving of Rs. 1,62,000 per annum.*

The Sind and Baluchistan Circle has been in existence up to 1907, but was abolished as there was no necessity for the separate control over a small and at the same time comparatively unimportant isolated area. Sind and Karachi were added to Bombay Circle and Quetta and Baluchistan to Lahore Circle. The re-creation of this Circle has effected a yearly average saving to the Bombay Circle Office to the extent of Rs. 17,500 and to Punjab and N.-W. F. Circle, whereas the annual maintenance cost of the re-created Circle is Rs. 69,000 (*vide* Government reply to question No. 48, by Mr. S. C. Shahani). The re-creation of the Circle instead of enhancing administrative efficiency has considerably lowered it and has added to the hardships of the staff. *The abolition of this Circle will effect an annual saving of Rs. 48,300.*

Range Offices in Bengal and Assam Circle.—There are two Range Offices in Bengal and Assam Circle, *viz.*, one at Dacca and another at Shillong. These offices are altogether unnecessary but costly appendages. They are merely conduit pipes or forwarding channels and have very little ultimate authority in anything. In all important matters they cannot decide, but refer the matter to the Postmaster General for decision. Instead of contributing to efficiency and expeditious decision on urgent questions, they hamper efficiency and cause unnecessary delay. The abolition of these Range Offices will result in the reduction of two posts of Deputy Postmasters General, as well as of a large staff and result in an annual saving of nearly Rs. 1,50,000.

Divisional Officers.—There are altogether 180 Divisional Superintendents of whom 6 are reserve Superintendents. Of the remaining 174, thirty-one are working as Assistant Postmasters General; 8 as City Superintendents and 18 are in charge of R. M. S. Divisions. The main duties of a Superintendent are: Inspection of post offices, investigation into cases, posting of clerks in different Post Offices under their control. So far as the inspection of accounts, sub-accounts, money order and savings bank branches are concerned, it is mainly done now by the Audit Inspectors. The telegraph branches of combined offices are also inspected by Telegraph Superintendents, besides most of the post offices are inspected by Inspectors and a very limited number of offices is inspected by Superintendents. As regards the investigations, the bulk of the work is done by the Inspectors, and it is on rare occasions that the Superintendents make personal enquiries into cases of highway robbery of mails. As regards appointment and posting the work may be delegated with advantage to Head Postmasters who are at present maintaining all records in connection of posting of officials in different places for preparing pay bills, maintenance of service books, verification of service for pension and account clerks are provided for these particular works. If this work is done by the Head Postmasters as is now done by the first class Head Postmasters, the Superintendents will be relieved of much work, and unnecessary duplication of work will be avoided. Again if all the Head Postmasters in the grade of Rs. 250—350 are given first class powers they can easily and efficiently deal with complaints, investigate into loss or fraud cases and the Superintendent will be relieved of a considerable part of the duties, and at the same time much unnecessary duplication of work will be avoided. If these proposals are accepted, as they can easily be, the work of the Superintendents will be considerably lessened and one Superintendent will be able to exercise

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supervision over two existing Divisions, that is to say, two existing Superintendent's Divisions may be blended into one. This will enable the Department to curtail 59 posts of Superintendents, and the logical sequence of the abolition of 59 Superintendents' Head Clerks, who may be utilised for performing the duties of Inspectors. This will lead to greater efficiency in supervision than now and will result in a saving of nearly Rs. 2,50,000. There are 8 City Superintendents of whom 3 are in Calcutta, 3 in Bombay, 1 in Madras, and 1 in Rangoon. Under the scheme formulated by Mr. C. D. Rae, formerly Presidency Postmaster, Calcutta, the City Superintendents' Offices in Calcutta have been amalgamated with that of the Presidency Postmaster and much duplication of work has been saved thereby and much of the work formerly done by the City Superintendents is done now by the Presidency Postmaster himself. If the scheme is adopted in Bombay, it will also reduce the work of the City Superintendent considerably. In that event one City Superintendent will suffice for Calcutta and Bombay and the post of the City Superintendent may be abolished in Madras and Rangoon, which are much smaller towns in comparison with Calcutta and Bombay. Six posts of City Superintendents may thus be safely abolished and a saving of nearly Rs. 38,000 per year will be effected thereby.

The R. M. S. "N" Division which was newly created by splitting up of "C" Division may be re-amalgamated with the "C" Division and R. M. S., "P" Division may be similarly amalgamated with "A" and "O" Divisions. The Headquarters of "N" Division is in Calcutta and that of "P" Division is at Benares although the Postmaster General Bihar and Orissa exercises control over these Divisions. The abolition of these Divisions will result in improved efficiency in administration as well as in considerable saving. Similarly "K" Division may be amalgamated with "W" Division.

The six posts of Reserve Superintendents are superfluous and unnecessary and may be abolished. There is a large number of officials in each Circle who have passed the departmental examination for Superintendent's appointment and are in the waiting list. They may act as Superintendents when any of them go on leave.

Special Pay and Allowances.—Six Assistant Directors General, some of the Deputy Postmasters General and all Assistant Postmasters General and some of the Divisional Superintendents get *Special pay*. Over and above special pay the Officers posted in Calcutta, Bombay and Rangoon get *Compensatory Allowances* in addition to house rent. If special pay and house-rent allowances to those who are in receipt of house-rent allowance are abolished, a total saving of nearly Rs. 60,000 a year will be effected.

Now, lastly, considerable savings may also be effected by abolishing the "Imperial Mail Train". This train is run practically for the purpose of facilitating travel to Europe and as such it is intended for Europeans. You can abolish this train and the passengers and the mails can go by the ordinary mail trains, even though they reach the destination a few hours later.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur cum Orissa: Muhammadan): Sir, instead of increasing so many taxes and putting an extra burden on the people of this unfortunate country, I would ask the Honourable the Finance Member to curtail the expenditure of the Army. I know, Sir, he is himself helpless in this matter. I will deal with the question of the Army in later stage of my speech.

Sir, I will also tell the Honourable the Finance Member that India is mainly an agricultural country and not an industrial one. More than 90 per cent. of its population depends wholly and solely upon agriculture and therefore we must primarily concern ourselves with helping the agriculturists. The abnormally low price of the agricultural products of this country has been such this year that the peasants and zamindars have been compelled to part with almost the whole of the produce of the year to pay rents and taxes, leaving practically nothing to feed themselves. This is a serious state of affairs which no Government having the least concern for the welfare of the agricultural population can ignore. I ask the Honourable the Finance Member to witness the wretched condition of the ill-fed and half-clad tillers of the soil in the villages who have been reduced to the verge of starvation. I request him to solve this difficulty without delay if he is really sympathetic towards the poor people of this country. (Applause.)

Sir, everything that is needed by us the Indians is very dear. The free competition has been stopped in the name of protection and naturally the prices of every day necessities have gone up. Had this dearness been confined to luxuries only, I would have no occasion to complain but the wonder is that the bare necessities of life are dear. The things that we have got to sell are very cheap and those we require for our use are dear but the Government do not pay any heed to it.

Good products in India depend on the fertility of the soil. Fertility of soil depends on irrigation. The great trouble in this poor unfortunate country is that the Provincial Governments are short of funds and the Central Government does not care for irrigation. The little money that the Government have set aside for irrigation is really very disheartening. For a country whose entire population depends upon agriculture, this amount is rather disappointing.

Sir, there are numerous shallow rivers in the country which can easily be converted into canals by stopping their water and putting gates in them. If this can be done, besides the saving of a lot of money, the fertility of the country can be enhanced and there will be no fear of the destruction of the crop for want of monsoon. The Government should take the administration of the whole subject of irrigation into their own hands and should run it on commercial lines. I suggest most emphatically that the Government will not lose a single pie rather, if it managed properly well, it will be a source of permanent income and at the same time it will increase the commonwealth of the country. By spending some money the rivers can easily be converted into canals and thus if there is a good produce the income of the Government will also increase.

Sir, the next point is that the Retrenchment Committee which is proposed to be appointed will be of no use unless the Government are prepared for thoroughly overhauling every branch of the administration because the whole system requires a change. The Government, leaving aside its attitude of persistence, should really try to find a solution of this question. They

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should not restrict its composition only by supporting those who are in agreement with their policy and who support them in every thing right or wrong but men of reputation with wide knowledge of administration should also find their place on it. Unless that is done, in my opinion no useful purpose will be served by this Committee. Those who oppose the present system and those who think it unworkable should also get some seats on that Committee. Opposition Benches should get a chance to express their views and to suggest measures for retrenchment and improvement. For satisfactory results it is essential that there should be small different committees for the different departments. For the sake of economy I will suggest that these committees should work either in the Simla Session of the Assembly or just before the session.

Sir, my next point is about the borrowing policy. If the policy of borrowing abroad is to be continued, certain changes should be made in the procedure. In the first place, it is necessary that there should be a Council of National Debt, whose duty it would be to accord sanction to the flotation of all loans and especially the foreign loans, and otherwise do everything in the best interests of the country's credit. The same Council of National Debt should decide the necessity of a loan, the marketing, place for such loans, the rates and the terms of the loans. I cannot agree that the borrowing policy and loan project should be the secret of the bureaucracy and the money barons. If these loans are public debts you should ask and consult the representatives of the public. This suggestion might be unique but you cannot deny it to the representatives of the people. Can you imagine, Sir, that prospectus of a loan was issued the same day, the list was opened the same day, and the same day it was closed with the result that the application was for 700 per cent. of the amount offered, and if my information is correct, the list was open for half an hour only. Sir, what was the main cause of the overwhelming demand? Was it not the extraordinary rate of interest? In the second place India must shake off her dependence on a single market like London and at the next opportunity, she should negotiate for the flotation of a dollar loan in New York or a franc loan in Paris. France is now consumed with the ambition to figure as a great international monetary centre. With this object in view, the Government of France has removed and is contemplating to remove further many of the disabilities which have kept Paris in the back-ground as an international lending centre. I think Paris is expected to take a leading part in international lending and the amount of new capital available for investment in France is indeed colossal. It will therefore be opportune for India to tap new markets like Paris and New York and shake off her dependence on the one which in interest matter is not at all friendly to her.

Sir, although the Honourable the Finance Member has touched the ratio question at the end of his speech, I attach very great importance to it. It is the cause of the greatest concern to every patriotic Indian. The Currency Bill was forced upon the country in the teeth of the greatest opposition from the non-official Members of this House. The good of the country entirely depends on its exports and not imports because the exports bring in wealth and the imports take it out of the country. Now, we have got to consider whether this ratio of 1s. 6d. will be of any real benefit to the exports of the country. I will say "No, it is not". The rate of the commodities which this

country produces is settled in pounds, shilling and pence and when we sell a thing for £100 we get approximately Rs. 1,320 but if the ratio was maintained at 1s. 4d., India would have got Rs. 1,500 for the same articles sold out for £100. This defective currency policy of the Government has been responsible to a great extent for the economic depression, the trade depression and the agricultural depression. The very great loss which this ratio inflicts upon us is also from those countries other than Great Britain in which our commodities find their market. In exchange for our jute, grains, cotton, etc., the foreign countries pay in their currency and that is converted into pounds and on conversion of these pounds into rupees the loss is apparent. On account of this ratio exchange the money return has been decreased to a very great extent. The country is passing through such a period when there is gloom all over and it hits very hard the poor people of the country when buy anything except their daily bread. If the price of gold comes down to one rupee per tola, it will remain as dear to the poor as it is now and on the other hand if its price is raised to rupees hundred a *rati*, it will continue to remain cheap to the rich. The purchasing capacity of the Indian people has been seriously diminished. The retaining of this ratio of 1s. 6d. at this juncture betrays what I may call a spirit of callousness in the Budget. Sir, we have now had a sufficient experience of the evils which were forecasted in this House in 1927 in connection with this 1s. 6d. ratio. The Government in my opinion do not fail to realise its evil results in their heart of hearts but simply to please others they are thrusting this ratio on us. Sir, I ask "Is it a fair or proper treatment to the people of this country of which you are considered guardians?" My Honourable friend, the Finance Member, cannot even now sacrifice his 1s. 6d. ratio. He must maintain it at that level at any cost. No matter whither we go, we cannot get out of our way the stumbling block of the ratio which has become a part of his policy.

Sir, only the other day in reply to a question, it was stated in the House of Commons that the Government want to retain this rate of exchange. I want to tell the Treasury Benches in plain words that this attitude of theirs will not at all materialise and will end in disaster. Sir, they must remember whatever may be our differences with the Hindus or with the other communities of India we are all Indians; and I would prefer a Hindu Government to a Muslim Government if the latter denies bare justice to its people. (Loud Applause.) Sir, I earnestly appeal to the Finance Member that he should stay his hands even now and should not take any further artificial measures to support the 1s. 6d. exchange ratio of the rupee. If he will agree to do it, I am sure much of the troubles with which we are confronted will disappear.

Sir, my last point is about the Army policy. Sir, the Army in India is unique in its constitution; as far as its expenses go, it is an Indian affair pure and simple, but where its utility is concerned, it is Imperial. There has been no war in Asia between England and other countries in which Indian troops have not been employed, and let me add, Sir, that in the majority of cases it is the Indian Exchequer that has borne the brunt of the expenses. In a number of cases we have been saddled with the ordinary as well as the extraordinary expenses of expeditions, and in only rare cases the War Office of England has borne the extraordinary expenses of the Army. I have recited this history in order to explain why we wish that the Army question should be reopened in all its aspects. Taking into consideration its Imperial utility and the requirements of England as a great

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European Power, it is necessary that the adjustment of expenses should be also on the same basis. Sir, this is not my personal opinion only. The capitation charges, Sir, have increased enormously over what they were in pre-war days, and it is due simply to the short-service system which has been introduced in the post-war years. I would also point out that this system was introduced in England for its European need which compelled her for financial reasons to keep a small standing Army and to have a big reserve in order to draw upon that in cases of need. This will show that in utter disregard of our needs and our capacity to pay a system detrimental to our interests, and exhausting for our purse, has been introduced without our sanction or even giving us an opportunity to advise the Government of India. I am very sorry to say that nearly the whole of the Army Budget was kept as a non-votable Demand. Its meaning was that Government did not want our sanction, did not want our advice about it. We are asked blindly to pay any amount demanded by the Army Department, which has no concern with our revenue, which does not know our condition, the condition of our purse. On a scrutiny of the Army Budget of 1930 and 1931, I find that in the fighting units there has been a slight increase all round. The case with the staff is just the same, viz., there is an increase in every head except in the head of the poor clerks whose number has been reduced by 24. While admitting the necessity of retrenchment and taking pride in having reduced, though partially, the enormous burden of the military Budget, His Excellency the Commander-in-Chief has not taken into his consideration the fact that administrative services, which are the pet children of the whole of the Government of India, are allowed to expand and to spend more and more money every year. The actual of 1929-30 was 6.74 crores, and it has been estimated for 1931-32 at 7.24 crores, it means an increase of 50 lakhs under one head only that has no concern with the fighting qualities of the Army.

Sir, we have read in history that Nero was fiddling while Rome was burning. While, Sir, India is faced with a deficit of about 14 crores, while trade is ruined, while the agricultural masses are starving and the zamindars have not sufficient money to pay the revenue, His Excellency the Commander-in-Chief is generously spending on all his Departments without any hesitation. If you wish for an example of the great generosity, you can see that 50 lakhs have been estimated for the marriage allowances of British troops only (Laughter); and now, with your permission, may I ask, Sir, what amount has been kept for the marriage allowances of the Indian troops? Sir, I do not want to hear reasons and explanations; I want to know the figure. (Applause.) I suggest, Sir, that if the Government want to satisfy us, if His Excellency the Commander-in-Chief respects our demands, His Excellency must announce in the near future that at least one whole Division is going to be Indianised wholly and that steps are being taken for an Indian Military College, and that all the savings of the Army Department will be reserved for that purpose. The spirit manifested by H. E. the Commander-in-Chief in the Council of State will encourage the hope that the time for a change of heart has come; and as His Excellency the Viceroy has conquered our hearts by bringing peace in the country, I hope H. E. the Commander-in-Chief will also leave an everlasting name for himself and gain a place in our hearts by genuinely reducing the Army expenses and by bringing the Army more into line with the national demand. (Loud Applause.)

Mr. H. A. Sams (Director-General, Posts and Telegraphs): Sir, I do not want to intervene in this debate and add to the number of speeches already made, but I feel that after the somewhat frontal attack from my Honourable friend, Mr. Puri, I must reply on behalf of my Department. I will do so as briefly as possible. Mr. Puri, Sir, has quoted a passage from the Inchcape Committee's Report in which the number of officers employed was said to have been 679. This debate has been rather sprung upon me, and I have not had an opportunity of analysing that figure. It is doubtless correct as printed in the Report. I remember however that at the time there was some doubt whether the figure was not capable of considerable explanation. However that may be, the actual figure for the gazetted officers of the Department today is 578 gazetted officers, of which the greater majority are gazetted officers drawing a pay roughly in the neighbourhood of Rs. 300 up to Rs. 750 and are analogous to what are known as Provincial officers. There are, I should say, not more than, probably less than, 130 superior officers according to the accepted sense of the word. Mr. Puri has talked about the addition of another Deputy Director-General. But he has forgotten, or perhaps he is not actually aware of the fact, that when the third Director-General, or fourth including the Director-General of Traffic, was appointed, the post of Deputy Chief Engineer, Telephones, was abolished simultaneously. It therefore left the number of administrative officers exactly the same. He also wishes to abolish one of my Deputies owing to the fact that the work in my office has decreased because we have been able to delegate work to circles. This has certainly brought a welcome relief to my office, but at the same time the volume of work is still high, and I should be very glad of further relief. On this account also he wants to abolish two of my Assistant Directors-General. Well, I can only say that these officers are picked men; so far as I am aware, they are quick workers, and yet every single one of them has to take work home every night and has to work every Sunday in order to get through the work—so much so that the Audit Department has been objecting to the coolie hire which they have been demanding for carrying their files to and from their houses. Mr. Puri, Sir, would like to abolish nine Deputy Postmasters General! This is a somewhat drastic measure. Every single one of these Deputy Postmasters General has from time to time been sanctioned after the most careful consideration not only of myself and my predecessors but also of the Government of India both in the Finance Department and in the Department of Industries and Labour. The work in the Circles owing to various causes is now so complicated and so difficult that it is absolutely essential that the Postmasters General, if they are to exercise proper control and supervision, should have adequate and responsible help to assist them in carrying their burden. Mr. Puri has mentioned certain specific cases, namely, that of Bihar and Orissa, which had not a post of Deputy Postmaster General. In the case of Bihar and Orissa, the Deputy Postmaster General given to that Circle was given when the Railway Mail Service was removed from the control of an independent Deputy Postmaster General and handed over to the control of the Postmaster General for administrative reasons. Thus, Sir, the Deputy Postmasters General, instead of being used definitely for the Railway Mail Service work, were given to smaller Circles in order to assist the Postmaster General. In the case of Burma, which as the House is well aware, used not to have a Deputy Postmaster General, it was I myself who got the Government to agree to his appointment. The work in Burma, as elsewhere, had been increasing enormously and

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it was entirely impossible for the Postmaster General, who is also responsible for the whole of the engineering work in what my Burma friends will admit is a large country, to manage this work unless he had a Postal Deputy who would be able to take his share of the postal burden. As regards the Sind and Baluchistan Circle, that was re-created in, I think, 1922, at the express desire of the commercial community in Karachi, who complained that the Postmaster General of Bombay had not been visiting Karachi a sufficient number of times. As Postmaster General of Bombay, I did my best to remedy that; but, Sir, my predecessor, Sir George Clarke, realised that an important city like Karachi had a claim and, therefore, with the approval of the Government of India he amalgamated Baluchistan with Sind. I deny that the interests of the staff are any the less well looked after than they were under the Postmaster General of Bombay. There is, I am sorry to say, a good deal of communal feeling rife in Sind, but I hope that it will die down in time and I am satisfied and have every confidence in the Director of Posts and Telegraphs in the Sind and Baluchistan Circle. He is as competent and sympathetic as a Postmaster General in Bombay, several hundreds of miles away.

As regards the Range Office at Dacca, that I have very carefully considered. All communities, so far as I am aware, in Dacca itself are in favour of the Range Officer remaining in Dacca. Dacca, as my Honourable friends from Eastern Bengal know well, is an important centre and it is of great advantage to have on the spot an officer who can decide at once a large number of cases which formerly had to be referred to Calcutta. The number of cases actually referred to Calcutta is comparatively small.

Shillong, as you are aware, is still further away from Calcutta and the Assam Government, I think, would not agree or would protest strongly against having their postal officer taken away from them. Actually the amount of savings would be practically nil. My Honourable friend, I think, has somewhat misunderstood the work of the Postal Superintendents. I hope he will take an opportunity one day of actually visiting a Postal Superintendent's office and seeing what he actually does. If he does so, he will, I think, be the first to admit, if he studies the question on the spot, that the work which the Postal Superintendent does is practically impossible for a Postmaster to do. A first class Postmaster can do it because his area is a compact city or town. The Superintendent of Post Offices has to control, administer and look after a very large tract which is always a district and very often a revenue division. We have already tried the Postal Surveyor system which is in force in England and I can tell the House that it failed signally. Mr. Rae's system, which Mr. Puri mentioned, has not, I think, actually resulted in reducing the number of City Superintendents in Calcutta. In any case, it is absolutely imperative that in important cities like Calcutta, Bombay, Rangoon and Madras, we should have under the Presidency Postmasters, officers who are able to help them in their task which would otherwise be almost impossible. As regards Railway Mail Service Divisions, which my Honourable friend has mentioned, that is purely a matter of re-arrangement in order to place in each Circle, the Railway Mail Service under the Postmaster General, and it has not in fact added any new appointments to the cadre of Superintendents.

As regards Reserve Superintendents, we are, in the Department, agreed that they are perhaps no longer necessary and they will be reduced gradually by absorption.

As regards special pay, when you ask officers to work as Assistant Directors-General or Assistant Postmasters General, they have to work with some extra inducement or at any rate some appreciation of that fact should be given to them. That is not peculiar to the Posts and Telegraphs. It is common, I think, to most of the Departments.

Finally, if I may, I will read a very short passage, which sums up the position much better than I can myself sum it up, from a Report by the Ryan Committee of 1924-25, *à propos* the number of officers:

"From this it will be seen that the number of officers in the Post Office and Railway mail service has remained practically unchanged. On the general question, we would say that it appears to us that the summary reduction of staff in response to demands for economies, when not based on detailed consideration of the necessities of the work of the Department, and involving, as it does, the reversal of decisions initially taken as a rule after considerable discussion when the cadres were fixed or increased, is apt to prove an unwise measure."

Captain Sher Muhammad Khan Gakhar (Nominated Non-Official): Sir, I just rise not to make a lengthy speech, but to say a few words to remove the misunderstanding which may have taken place by the speech of my Honourable friend, Kunwar Raghubir Singh. He mentioned yesterday something about Mr. Brayne's destructive work

Kunwar Raghubir Singh (Agra Division: Non-Muhammadan Rural): On a point of personal explanation, Sir. If I used the word "destructive" it was because Mr. Brayne was carrying on a propaganda in Europe during the Birkenheadian regime against the Indian masses and painting them in the blackest colours, and so I suggested the word "destructive". I have nothing to say against his working in India. So I think there is really no misunderstanding, and my meaning is clear.

Captain Sher Muhammad Khan Gakhar: My Honourable friend has cleared the misunderstanding. One should go to his district and see what Mr. Brayne is doing to improve the rural life and interests. I have made this statement before this Honourable House because, I, being one of the Jhelum district, see Mr. Brayne's work closely.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Is he still in India?

Captain Sher Muhammad Khan Gakhar: Yes, he is, and he will be here for a long time.

So I am in a better position to form an opinion on his schemes and efforts and I honestly say, and I hope my Honourable friend, Nawab Major Talib Mehdi Khan, will support me, that no one as a District Officer has done within my knowledge, such real constructive work as regards rural uplift and improvement as Mr. Brayne has been doing for the last two years in the Jhelum District.

Mr. Jamal Muhammad Saib (Madras: Indian Commerce): Sir, I oppose all new taxation and particularly the increased taxes on income and the increased duties on kerosene. I do not think the country can bear any more taxation nor is there any necessity for it. It is all due

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I think to the Government not having retrenched as they ought to have done. Last year they budgeted for a figure of 135 crores and this year they have got the same figure. I cannot see where the retrenchment comes in, and this in spite of the heavy falls in prices and in the cost of living and the great depression in agriculture, trade and industry. According to the Finance Member, the fall in prices between September, 1929, and December, 1930, had been as much as 36 per cent. in exports and 16 per cent. in imports. In spite of all these things we see still the same figure in our Budget. That is why I say that there had been no retrenchment at all. Further it appears to me that they are completely out of touch with the present state of the country and its people. If we say all this we are confronted with the technicalities of votables and non-votables and the bringing in the question of harmonising the salaries of officials in the Central and Provincial Governments. Well, if they have to put so much additional burden on the people who are already very much crushed, I think they could easily forego these technicalities in a way and also by this time they could have found time to get into touch with the Provincial Governments to make harmonious retrenchments in all those salaries. But they will not do anything of the sort.

Then as regards the military expenditure I consider it still very high. I want to point out one or two things to this House. The Inchcape Retrenchment Committee recommended 57½ crores for 1923-24. In that year the expenditure was brought down to 56½ crores, although the Budget for that year was for 62 crores, and it was a reduction of 9 crores from the previous year; as the previous year's expenditure was 65½ crores. But after that for eight years up to 1931-32 it had been cut down by only 3½ crores. In the meantime they had the advantage of the ratio to the extent of 12½ per cent. and the falling prices. My point is this. It is because the Retrenchment Committee recommended that the expenditure should be brought down, it was brought down by 9 crores in one year and that in spite of the fact that for that particular year the Budget was for 62 crores, that is to say, 6 crores less than the Budget estimate of that year and 9 crores less than the actual expenditure of the previous year. I therefore want to urge upon the House that unless we lay down a policy and tell the military authorities plainly that we shall give them only so much, they will never retrench. For you see that after that for 8 years their cutting down comes to only 3½ crores. The answer may be given that they are guided by expert opinion. Of course, like all experts, they generally try to make things very very safe and in their anxiety to do so sometimes they not only provide for very remote contingencies, but at times also for improbable probabilities. So unless we lay down a policy and tell them that only this amount will be given, I do not think they are really going to cut down the expenditure. We have allowed the Military Department to spend much more than is required or justified simply because the people had no voice in the matter. Now, we cannot stand the strain any more and more so in the present circumstances.

As regards the increased taxation on income, I consider, as Mr. Mody said the other day, that it had already become really a tax on capital. People in business know that it is really a tax on capital and now they want to increase it still further to the serious injury of the people in trade and commerce and to the further detriment of trade and commerce. Then

the Finance Member said the other day that if he allowed the carry forward of losses he would have to find a crore of rupees. There was a suggestion that by increasing the export duty on hides and skins he may have half a crore or one crore. I say that when it is a question of justice combined with industrial development the thing should be carefully considered. I completely disagree with the Finance Member when he said that so far as the revenues and the collection of taxes are concerned Government should only be guided by questions of expediency and nothing else.

Sir, I now come to the tanning industry. It had been admitted, although figures are not available for inland trade, that the production of skins and hides in this country comes to about 40 or 50 crores per annum. The import of manufactured articles comes to less than a crore of rupees. Leather, artificial leather, boots and shoes and everything else come to about 90 lakhs, and if you take away the cost of production in other countries, I think it will come to something like 50 lakhs worth of skins and hides. You cannot protect an industry or trade of about 50 crores or something like that by obstructing the import of 50 lakhs or even a crore of rupees. That this industry had this peculiar circumstance about it and that it must therefore be protected by an export duty was recognised by the Government themselves and they levied in 1919 a duty of 15 per cent. *ad valorem* on the export of raw skins and hides.

But unfortunately that coincided with the world-wide depression of 1920-21. Some people attributed the heavy fall of 1920-21 to this duty and now of course everybody knows that that fall was all due to the trade depression existing then and nothing else. All trades were depressed in that year and so was this trade in raw skins and hides too. I have only to point out that now practically there is no duty on hides thanks to the recent action of the American Government and in skins really there is a handicap of 5 per cent. against Indian tanners. And yet we have now a drop of more than 50 per cent. in the prices. What is the cause of it now if the duty was the cause in 1920-21? The duty had nothing to do with it. It was all due to the world-wide depression. Now I want to point

out here that the skins are mainly exported to America—nearly 80 per cent. As regards hides they go to Germany and other continental countries. These foreign interests have branches and agencies—and that is my point—all over Northern India for the collection of these raw skins and hides for export to foreign countries. Government, misled by the agitation engineered and influenced by these foreign interests who are established all over Northern India, mistakenly reduced the duty from 15 to 5 per cent. in 1923. This wrong action of the Government not only stopped the onward progress of the industry but also stunted and depressed it. From then it had become a hard struggle to keep it going. Then came the rising exchange ratio and then the world depression and now this discriminating revised American tariff of 1930, which was passed in June, 1930, and given effect to in September, 1930. The revised tariffs are these: 10 per cent. import duty on tanned skins: none on raw skins: 15 per cent. on tanned hides; 10 per cent. on raw hides. The net result is our export duty is entirely neutralised and as against an export duty of 5 per cent. we had on skins exported to foreign countries, Indian tanners are now under a handicap of 5 per cent. because the tables had now been turned against us.

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I have to point out here, as I pointed out in another place, that this differentiation between hides and skins by the American Government is due to this fact: most of our raw skins go to America; the exports of raw hides to America are negligible and so they do not worry about the hides. Let us see what the result of this American action is: For ten months—April to January—the shipment of tanned skins and hides from the whole of India to all destinations fell down from 818 lakhs in 1928-29 and 688 lakhs in 1929-30 to 541 lakhs during the last ten months ending with January, 1931—or a fall of 20 per cent. compared with 1929-30 and of 34 per cent. compared with 1928-29. The first may be due to depression, but the last must be due to some other cause and that is the revised American tariff. Let us see it in another way. The duty came into effect in September, 1930: so I take it this way: April to August (five months) the corresponding exports of tanned skins and hides were 295 lakhs; September to January they were 246 lakhs or a fall of 17 per cent. If you take only the shipments to America this is more striking: Tanned skins and hides shipped to America during the five months of April to August were Rs. 4,30,000 and September to January Rs. 1,90,000 or a fall of 56 per cent. That this is not due to depression will be made clear by comparing also the exports of raw skins and hides to America. April to August for five months our exports of raw skins and hides to America were 127 lakhs; September to January 93 lakhs or a fall of 27 per cent. I do admit that you cannot compare like this the first five months and the second five months, because there are always differences in the different seasons. Therefore let us compare it in another way, allowing for the changes in the demand in the different seasons. Shipments of raw skins and hides to America for five months—September to January: it was 131 lakhs in 1928-29, 130 lakhs in 1929-30 and 93 lakhs in 1930-31: that is to say, only a fall of 28 and 29 per cent. respectively, as compared with the previous years. As regards tanned skins and hides exported to America for the same period from 24½ lakhs for the same period in 1928-29 it dropped to 13½ lakhs in 1929-30 and to only 2 lakhs in 1930-31; that is to say a depreciation of 86 per cent. as compared with 1929-30 and 92 per cent. as compared with 1928-29. You cannot call this all due to depression. The tanning industry is not even in the position in which it was before the American tariff was levied. If you increase the present duty on raw hides to ten per cent. you will give it the protection which it had till the new American Tariffs took effect while if you increase the duty on raw skins to 15 per cent. you will give 5 per cent. protection only. I am suggesting this to encourage (Interruption) the industry and you will get 45 lakhs new money by that; and if you revert to the old position we were in before 1923 you will have a further increased revenue of 60 lakhs. The first cannot be done now because there is no change of policy and as regards the other thing—restoration to the position we were in before the duty was reduced from 15 to 5 per cent.—the matter can be referred to the Tariff Board or you can have the whole matter—both the cases—referred to the Tariff Board and let them consider it from the point of view of the different interests of the country. (Interruption.) The Tariff Board never considered it. I think my friend, Dr. Ziauddin Ahmad, refers to the Fiscal Commission Report: I have already referred to that. I said the Fiscal Commission was wrong in its finding because they did not take into consideration all the facts connected with this industry. With

the production of skins and hides of the value of about 50 crores and the import of finished leather amounting to less than a crore, you cannot protect an industry which is connected with a trade of about 50 crores by simply putting up a wall against that import trade of less than a crore. To make it clear, supposing we had no imports of cotton textiles, I do not think any protection could be given to our textile industry in India by putting up our import duty alone. That is the position. Some say that by putting up our export duty the outlet for our materials may be affected, but that is not so. The Indian production of hides ranges between 25 and 30 per cent. of the whole world and her production of goat skins is one-third of the whole world's production. Now, if you take into consideration the quantity that could be spared by this country, the position of India, so far as this trade is concerned, becomes overwhelmingly preponderant. I may further point out that we have got certain unique classes of goat skins and hides, and people who are accustomed to use such goat skins and hides will necessarily like to have them. In short, it comes to this. The world cannot do without our hides and skins, that being so and when there are fluctuations which go up to 50 or 60 per cent., if you merely put on a small duty, how it will kill the trade one cannot understand.

There is another thing to be noted here, Sir. 20 or 30 years ago when I was a young man, we used to get raw skins from Amritsar, Cawnpore, Calcutta and other places in the North and we used to tan this material in Madras and send them to America. In those days America was not tanning our raw skins, and so they were buying our tanned skins. Then they wanted to discourage our tanning industry, and towards that end they put on an import duty of 25 or 33½ per cent. and left the raw skins free and thus built up their industry. Well, they have killed the industry so far as we were using our raw stuff from the North, but now they want to kill also the industries using the raw stuff available in the South. Further, Sir, it must be remembered that the tanning industries in the North are meeting only the local demands, but the industries in Bombay and Madras is mainly for export purposes. So it will be seen, Sir, that we are competing with them both in India as well as in the consuming markets of the foreigners. Therefore, the underlying idea is to kill our industry for the simple reason that they will get the whole of our raw products at their mercy. For then they will not have to face our competition. Is that a state of things which this country would welcome?

Another thing I want to bring to the notice of the House is this. When the Cess Committee was considering this question,—and I was a member of it,—representations were received from almost all commercial bodies, industrial associations and other organisations including the Provincial Governments. Almost all of them wanted the maintenance of the present protective duty, and in some cases they suggested even an enhancement of it. Of course, one or two associations which were concerned only with the export of raw skins and hides did not want this export duty. (Interruption.) I have already referred to that.

Now the position is this. The evidence which we received in the Cess Committee showed that the country wants this export duty. The Federation of Indian Chambers have been agitating for the enhancement even of the existing duty, whereas the Associated Chambers of Commerce wants that this duty should be removed. Now, I want the House to remember this. Almost all the tanners are Indians, perhaps there may be one or two per cent. who are not Indians. So I say that the opinion of the

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Indian bodies in this matter should carry weight, and not that of the European Association, because so far as the industry is concerned, it is mainly manned by Indians, and therefore their opinion must carry the greatest weight. Not only that. Sir, recently the Madras Government seeing the serious state of affairs in Madras,—because Madras is supposed to be the largest centre in the whole world for the export of tanned skins and hides—made a representation to the Government of India; the Tanners' Associations and other bodies interested in this industry have also been making appeals and protests, but the Honourable the Commerce Members seems to be sitting tightly over them all and doing nothing. Perhaps he may think that some two or three years ago this question was decided. The immediate cause why this question has become so urgent and pressing now is the action of a foreign Government taken about six months ago thus creating an entirely new situation. Therefore, what I want to submit to the House is this, the Government should immediately restore the old position which existed before the American duties came into vogue; and that will give them 45 lakhs new money, at the same time—if they do this—they will be uplifting this industry which is fast sinking. With regard to the question of further protection, they can refer that question to the Tariff Board.

Now, Sir, I want to say a few words about the exchange ratio and contraction of currency

Diwan Bahadur T. Rangachariar: Sir, before my friend goes into that subject, I should like to ask him how he meets the argument urged yesterday by our friend, Dr. Ziauddin Ahmad. Here is 50 crores trade in hides and skins. If you increase the duty that trade is likely to be affected, and instead of encouraging the trade, it will have to be buried in the earth. That was the argument made yesterday. Does my Honourable friend meet that argument?

Mr. Jamal Muhammad Saib: It was thoroughly gone into.

Dr. Ziauddin Ahmad: We would like to know how (inaudible).

Mr. Jamal Muhammad Saib: I must point out that the export trade in raw skins is only recent. I have got the Report here, and I can read the sentence. (*An Honourable Member:* "Please read it".)

Diwan Bahadur T. Rangachariar: The point is, is the trade likely to be diverted from India?

Mr. Jamal Muhammad Saib: I understand the point. "The development of an export trade in raw skins, especially in goat skins, is comparatively more recent than in the case of hides." The point is this, until recently India was consuming all her finished goods and also exporting some of them to foreign countries. It is only after the introduction of the chrome tanning industry and the cheapening of transports, that some of our raw materials are being exported. The answer to my friend is this. Out of 40 to 50 crores of trade, we are now exporting only about 8 crores work of raw skins and hides, both put together. We have got tanneries not only in Madras and Bombay, but also throughout the country from

Calcutta to Peshawar. I mean those small tanneries which work as cottage industries and which cater for local needs. In Northern India even a poor sweeper wears shoes, and all this stuff is made by the local manufacturers.

Another thing I want to point out is this. Just before the war, taking the case of Madras alone, our shipments were less than 3,000 bales of tanned hides per month, but during the war, our shipments went up to 8,000 bales per month. What I mean, is, given the opportunity, we can handle all this stuff in India. Why? When even now we are handling 40 crores worth of stuff in India, can we not handle another 8 crores worth of stuff in India?

Then another point raised by some one here was this. It was suggested that our trade in raw skins and hides may deteriorate, but it is all a myth. One or two years ago, the value of these raw materials was at least twice of what it is today, and in the meantime, if anything has happened, it has happened in favour of the raw hide and skin trade because of the American tariff. In spite of that, we find a drop of more than 50 per cent. The prices depend upon supply and demand, and a duty of five per cent. this way or that way does not very much matter. As I have already said, the point to be considered is this. The industries in other parts of the country have been killed, and there is now only this industry, so far as export is concerned, in Madras and Bombay. If it is also killed, the time will soon come when we will have to depend upon the tender mercies of the foreign exploiters of our raw materials, and they will fix their own prices, and we will have to bow to them. They are using their raw stuffs. We do not get their raw stuffs here. They want to carry away our raw stuffs to their country for the employment of their own men, and why should we not worry about the employment of our own men?

Dr. Ziauddin Ahmad: I should like to finish this argument by reading a sentence.

Mr. President: I cannot allow these interruptions. The Honourable Member (Mr. Jamal Muhammad Saib) will please go on with his remarks.

Mr. Jamal Muhammad Saib: The Honourable the Finance Member in his Budget speech spoke in justification of the policy of contraction of currency. His justification is the falling of prices and trade depression. May I ask him whether other countries have also effected similar contractions? A big country, almost a sub-continent, with a rapidly growing population and in course of development, must require more and more currency and not less and less. The latter denotes an unhealthy state of the country, I should call it dyspeptic, requiring immediate attention. Well, Sir, contraction of currency might take place in other countries once in a way, just as you take a purgative or something like that once in a way. But if it goes on in the manner that it does now in India, I do say it that there is something wrong with the system, which must be attended to immediately. I do admit that the present exchange ratio has in a way necessitated it, because by depressing the industries and commerce of the country, it has weakened the export trade, and at the same time, has induced the flight of capital. As a consequence thereof,—and here I agree with the Government—the Government find it difficult to make remittances home to meet their home charges. One of the methods adopted by Government to meet these difficulties is to contract currency and dispose of that

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portion of the reserves which is held against the contracted portion. At this rate our reserves would all disappear in course of time and there will perhaps be very little currency left to the country for the use of the people and of the trade. The second method is to borrow in London at high rates of interest, thus piling up our debt liabilities as well as the interest charges.

To me it appears that the flight of capital is caused in another way. Since our industries, commerce and agriculture are depressed and since investment here has become unprofitable and therefore unattractive, thanks to the present exchange—what else could capital do? The capital is naturally scared away, and added to that, there is the profit to be made by remitting abroad when the exchange is high. In short, as long as this exchange is high, there will always be this flight of capital, and I would ask the Honourable the Finance Member just to compare the figures of export of capital. If you take the year 1920 when the exchange was very high, and also the years since it became 1s. 6d. and compare them with the figures of those years when the exchange was 1s. 4d. I think he will himself have to open his eyes. The net result of the exchange and currency policy of the Government has been, depressed trade, flight of capital, financial stringency and dear money, and impoverishment of the people. The Honourable the Finance Member has referred to the fall of prices in primary agricultural products. That has restricted production and reduced the consuming power of the agriculturists, which in turn affects the industry and employment and wages of labour. For it must not be forgotten that the demand and wages of labour depend upon the prosperity or adversity in agriculture and industry. Agricultural and industrial countries with larger exports and smaller imports require a lower ratio, just like America.

The Honourable the Finance Member referred to the balance of trade when Dr. Ziauddin Ahmad was speaking yesterday, on the losses on exports not being covered by the gains on imports. In simple terms it might be put this way. It is covered by the remittances of the earnings of foreign shipping and insurance companies and foreign residents in India, and also the remittances of the Government to meet their home charges. Now, the visible balance now may only be equal to meet these home charges, referred to above. Perhaps, it may not even be enough for that. When the balance of trade is much larger and there is a balance left after meeting all these charges and the remittances I have referred to, it increases the import of our treasure. Of course, we are getting some treasure, but not what we used to before; it is about only half. So, I agree that now the losses on our exports may be offset by the gains on imports visible and non-visible put together. He has evidently in mind what the Government are saving by remitting at 1s. 6d. to meet the home charges, and he might save there about 4 or 5 crores of rupees. But I want him just to think over this. That to gain these 4 or 5 crores of rupees, what does he make the people of India do? They have to lose hundreds of crores by the fall of prices and depression in trade and commerce and industry in order that the expenditure may be Rs. 4 or 5 crores less. It is far better to allow people to earn those hundreds of crores and collect from them the additional 4 or 5 crores, if that were necessary, because with a prosperous trade and commerce and agriculture, when the earnings of the people are much larger, they can afford to pay more taxes. This exchange

ratio which is bringing in all these troubles to the country—it is this exchange ratio our Government proclaims from the housetops that it is prepared to maintain at all costs by mobilising all its resources. Now, they seem to have acquired a new and powerful ally in the person of His Majesty's Government, perhaps as a benefit of our Finance Member's recent visit to London, where he might have negotiated the terms of this alliance. I hope, however, that the mobilisation of all the resources will not also include the formidable military resources of both the Governments.

The Honourable the Finance Member very often speaks of the shaking of confidence. I cannot understand why this was not considered when they changed the exchange ratio twice before? Another ground urged is that this House passed the Bill in favour of 1s. 6d. We all know how it was done. Even so, the Act was passed by a majority of only two or three votes and if you take away the Government block, including the nominated Members, then only can you find out the real will of the people and the verdict of the country. It was quite clear that an overwhelming majority was against 1s. 6d. So I do not therefore think there is any justification for the continuation of this ratio.

There were two commissions. One was Babington Smith Committee, of which Sir Dadiba Dalal was a member, and the other was the Hilton Young Commission, of which Sir Purshotamdas Thakurdas was a member. I want to draw the attention of the House to the fact that in the first commission there were about 11 members, of whom only one was an Indian and in the other at least one man who is an Indian was against it. What was the result? When the Government started the Reserve Councils policy on the recommendation of the majority report of the Babington Smith Committee, within a few months they had to throw it out and the wisdom of the solitary Indian, Sir Dalal, was thus justified as against the combined wisdom of all the others put together and I think Government would have done much better if they had also followed the advice of Sir Purshotamdas Thakurdas as expounded in his dissenting minute. They would have then saved themselves and the country much trouble in the second case.

Another argument generally used is that even if it had been an error to fix the ratio at 1s. 6d. it should not be disturbed now, because it will have a disturbing effect. I think it could be altered without any disturbance or with the least disturbance. It is a question of ways and means, once the policy is adopted. They have done it before. I do say this that, even if there be a disturbance, it should be put up with in view of the fact that it is the cause of all our troubles. A little trouble should not be minded. I would compare it to the case of a patient suffering from carbuncle. There will be some trouble if you operate. Are you going to allow the patient to be slowly poisoned to death or are you going to operate, subject the patient to a little inconvenience and save his life. The present method is to save the trouble of operation and allow the patient to die of slow poison.

Another thing I would urge upon this House is that even if the Government do not find their way to meet the wishes of the people, let them take a referendum of the country and then they will know what exactly the country feels in the matter. They know that the country is dead against the 1s. 6d. ratio and they are therefore already talking of safeguards, particularly about exchange and currency, evidently perhaps with a view just

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to hand over an empty shell when they have to hand over the Government of the country to the people. Or it may be that they think too much of the way in which they had managed the currency and exchange policy of the country and that the Indians may not be able to do it so well. We have had enough of this.

As an alternative I would suggest that the whole matter be inquired into by a commission composed of Indian business men and economists with a good and effective representation of the agricultural interests of the country, because the agriculturists are the greatest sufferers of this ratio, even more than those in commerce and industry. The commission should hold its inquiry in India in order to keep in view the interests of this country alone and not those of others. They could bring in a few foreign experts if necessary for consultation and not for advice. We have had enough of these foreign experts.

The Honourable the Finance Member very often refers to the maintenance of the gold standard in India. What the country really wants is not so much the gold standard but gold currency because a gold standard without a gold currency is simply useless as it is now. You know the present fall of prices in silver. In case a national crisis occurs, people here have only token coins in their hands which are only worth about 8 or 9d. or something like that, though they are supposed to be worth 18d. These are the investments and the assets of the masses. It is good for nothing. So I say what we want is gold currency. Without gold currency, a gold standard is useless. There is one argument urged in this connection; that it may disturb the supply of gold to the world. I do grant that the supply of gold to the world may not be enough to go round. That is a thing for other countries of the world to think over. If you take care of yourself, the others will take care of themselves. We need not worry about the requirements of other countries.

Raj Bahadur Sukhraj Rai (Bhagalpur, Purnea and the Santhal Parganas: Non-Muhammadan): Sir, I rise to take part in the discussion that is going on in the House. At the outset, I must throw unstinted praise on the Honourable the Finance Member on the philosophic courage with which he has presented the Central Budget for the year 1931-32 in this House even when "times are bad". But according to him "The time has not yet come for panic measures or desperate experiments which might land us in unknown complications or endanger the efficiency of the whole machinery of Government". Not to speak of the Government, every class and every section of people in India from the highest down to the poorest are at present faced with a financial crisis the like of which was never witnessed during living memory. If this dismal situation be not handled properly, there will be nothing strange if it becomes still worse. For what is really the financial position of the Central Government as disclosed by the Budget? The revised estimates for the current year show that Government are faced with a total deficit of 14.42 crores of rupees and setting of the sum of 86 lacs of rupees shown as surplus in the final Budget estimates against this loss, the total deficit for the current year works up to 13.56 crores of rupees. The situation is certainly a grave one and the Finance Member is really to be congratulated for keeping his brain cool enough to avoid "panic measures and desperate experiments".

Sir, how has this huge deficit been brought about? Important revenue heads as Customs, Income-tax, and Salt and Opium show a deterioration of 12.10 lakhs. Posts and Telegraphs 89 lakhs, Debt services and Currency, 138 lakhs and other heads 5 lakhs. Of the loss under Customs, cotton piece-goods contribute 345 lakhs and jute 85 lakhs.

From this picture of the financial position of the Government of India at the close of the current year, let me now turn to the ways and means adopted by the Government to meet it. In the Budget for this year, the Finance Member estimated that a loan of 23½ crores in India together with borrowings in London to the extent of £6 millions would enable Government not only to meet the excess of disbursements over receipts but also to reduce the amount of Treasury Bills outstanding in India by 4 crores. At the end of the year, however, he finds that, in spite of a loan of 29.71 crores in India and sterling borrowing amounting to £31 millions, the amount of Treasury Bills outstanding with the public in India will be some thing like 45 crores. The Finance Member estimates the total real deterioration in India at about 64½ crores, and this is how the present year is expected to close.

Sir, the prospects for the next year are gloomier still. Receipts are estimated to be less than the Budget estimates for the current year and the total deterioration is estimated at 18.10 crores. The current year's Budget however provides for a surplus of 86 lakhs. The net deficit for the coming year therefore on the basis of the current year's figures is estimated to be 17.24 crores, the losses on the various items being estimated to be 13.16 crores in tax-revenue, 1.18 crores on commercial departments and 3.76 crores on General Finance headings.

Sir, this deficit is sought to be filled up partly by retrenchment and partly by additional taxation. As regards retrenchment, a total reduction of 175 lakhs is contemplated in military expenditure, and 98 lakhs in various civil expenditures, thus making a total of 273 lakhs. Putting this item against the estimated deficit of 17.24 crores, the figure is reduced to 14.51 crores. This gap is proposed to be filled up by new taxation of 14.82 crores under the heads of Customs and taxes on income. The Customs will bring an additional income of 9.82 crores and the proposed tax on income a net additional revenue of 5 crores. The coming year is thus expected to close with a surplus of 31 lakhs.

Sir, the Finance Member has really made the best of a very bad situation. The increased duties on kerosene oil will affect the poor to some extent but in many cases it is the luxuries such as spirits and wines, cinematograph films, cigars and cigarettes, etc., that have been taxed. Understanding the psychology of the Indian situation, he has proposed giving some measure of protection to indigenous industries such as sugar for instance. So far as the cotton mill industry is concerned, the rise in the income-tax and super-tax has been somewhat mitigated by the surcharge of 5 per cent. on imported cotton piece-goods. It is no wonder therefore that diehards and re-actionaries have been quite upset at this Budget, which they characterise as national or Swadeshi or the Swaraj Budget of India.

Sir, but while I say all this, I cannot shut my eyes to the other side of the picture. It is a pity that the ratio of exchange has not been reduced from 1s. 6d. to 1s. 4d. which was the old rate, due to which India had to suffer a loss of many crores. If the Budget had been truly Indian,

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then the whole deficit would have been wiped out by this item alone without the necessity for further taxation. Again, it has been stated that a Retrenchment Committee will be appointed to reduce the salaries of Government servants to the extent possibly of about 10 per cent. If this Budget had been presented by those who are sitting on the Opposition Benches today, a proposal for a reduction of 50 per cent., in higher salaries would have been put forward, without finding any necessity for increase in taxation.

Sir, if the salaries of high officers in India are the heaviest in the world, the expenses on the Military Department are no less large. Indeed there is no business for an unarmed country like India to bear such lavish expenses on its Army. But this expenditure has been estimated to be most necessary for India, and a reduction of only 175 lakhs is proposed to be made on this head, even in this acute period of financial crisis when in other countries this expenditure has been reduced to half. If the reduced strength in the Army was considered insufficient afterwards for national defence, steps might well be taken later on to increase the strength of the Army. But in this time of world depression, statesmanship requires that the expenses on this head should be the most irreducible minimum.

Sir, the middle classes will also be no less hit by the new Budget. The increase of rate of income-tax will tell severely upon the merchants and traders. Already the business is at a standstill and the effect of increase in rate would be that there will be an end of it.

Sir, but perhaps the worst sufferers would be the rich people who had always prided themselves on being on the side of Government in spite of the gibes and jeers of the rest of their countrymen. They will now be seriously disillusioned. As is well known, they are already finding it difficult to pay revenue and road cess to Government on account of a total suspension of rent from tenants due to the heavy fall in prices of crops. The almost doubling of the rate of their income-tax and the increased taxation on the so-called luxuries which are to them the necessities of life will make it difficult for any rich man to continue to be rich any more. In this respect the Budget may be aptly called a Socialist Budget.

Sir, I hope the Finance Member will yet revise the Budget in the light of these remarks and not disappoint us by clinging to it especially when a truce has been arrived at between the Government and the Congress and conditions have materially changed. Sir, with these words, I resume my seat.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 19th March, 1931.

LEGISLATIVE ASSEMBLY.

Thursday, 19th March, 1931.

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

THE INDIAN FINANCE BILL—contd.

Mr. President: The House will now resume further consideration of the Indian Finance Bill, 1931.

Mr. Muhammad Muazzam Sahib Bahadur (North Madras: Muhammadan): Sir, I do not think I will congratulate the Honourable the Finance Member on his efforts this year. I think that the one source of income which should have been properly tapped is left altogether untapped. He has been attempting to collect revenue from such source as income-tax, petrol, kerosene and others, but I suppose the House will agree with me when I say that the most important item which should have been tapped is that of the Military Department. Force should have been brought to bear on the Military Department to restrict their expenditure by at least 7 or 8 crores this year and, especially in view of the fall in prices of commodities, one would expect that naturally they could have cut down their figure to something like 48 crores. As it is, every year as much as 55 crores is being applied for military expenditure, and the ground alleged is that they have got to pay for the maintenance of an efficient Army composed of as many as 60,000 British troops. It would be conceded that there is danger on the North-West Frontier; but it does not necessarily follow that you should on that account maintain an army of that magnitude. It is either this, that the Englishman in India has an apprehension that he will not be secure in India without an army of that magnitude, or it simply means "Let us have some of our troops in India fattening on the revenues of India." I think the probability is that he has the apprehension that he will not be secure in this country. But I may assure him that during the last 150 years he has been ruling us, the administration has been of a nature which has secured for him a soft corner in every heart. I admit, and I think every one in this House will admit, that the test of a good government is the absolute security of person and property that we find in India today, and which, I venture to say, India never enjoyed in her history. That is the test of good government, and I think we have tranquillity and security of person and property in plenty in this country, and that alone is a factor which I think has endeared this Government to a large extent in the heart of every Indian. If the apprehension in the mind of the Englishman is that he is not secure and that he might have to face a rebellion at any moment, that fear, I say, is groundless, because no one will rise in rebellion; we are not going to rise in rebellion. He must and ought to feel that we are not going to do so. I am glad that from his love of justice and fair play, so innate in the

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Englishman, and by reason of the fact that he has not been administering this country as he ought to do, there is this apprehension lurking in his mind. But I think the sooner he gets rid of that apprehension, the better.

I say, Sir, that the British Army, the British troops that are being maintained in India at the cost of the Indian taxpayer, ought to be reduced to at least one-sixth of the existing number and they must be replaced by Indian units. It is admitted that the cost of an average English soldier is as much as six times that of the Indian, but when we say that the cost of the Military Department should be reduced to at least one-sixth of what it is now, the answer that very readily comes up is, "We are not going to sacrifice efficiency". The Englishman says, "Your proposal certainly implies sacrifice of efficiency and we cannot have that". An answer of that type looks very much like the answer which we sometimes hear from our Hindu brethren when we ask for fair representation of Muslims and other minority communities in the services. The Hindu also says, we ought not to sacrifice efficiency in promoting the interests of minority communities. I do not know to whom the credit for the originality is due, whether it is to our Hindu brethren or to the Englishman for these catchwords of "sacrifice of efficiency". Anyhow, that is how they meet it. Neither the Army, nor the services need sacrifice efficiency. A fair representation of the various communities will never do it. When we come to efficiency, I say why not employ a larger number of Indians in the Army?

Then again, Sir, as I said, this apprehension is lurking in the mind of the Government. They say they want to maintain a force of British troops for the purpose of internal security, and the number of such troops is something like 30,000. I am open to correction, if my figure is wrong. I venture to say that it will be the unanimous opinion of this House that 30,000 British troops are not at all needed for the purpose of internal peace. To my mind, those troops are needed to aid the Government when the necessity arises, as for instance in a riot, but I fail to see how much use they have made of these forces on such occasions. From what I know there have been very few occasions indeed when these British troops were employed, and but for this apprehension in the mind of the Englishman, I do not think the necessity for stationing 30,000 British troops in India for the purpose of internal security arises. As I have said already, let the Englishman cast away from his mind this apprehension, and I think military expenditure will be reduced to something like 25 or 30 crores. The moment the balance of 25 crores is let loose for employment in other departments, then, I think, the Englishman will have achieved his entire purpose in this country and the Indian will owe a debt of gratitude to him of which he may justly be proud.

Another suggestion which I would offer is to impart to the Indian students military training side by side in schools and colleges. If the Englishman had trained an Indian militia for the past five or ten years so that they might join the other troops when occasion arose, this would have meant a further curtailment of the Army expenditure and the Englishman could justly take credit for that. But, as it is, we have been hearing promises made year year, but nothing has been done as yet.

Sir, it is rather providential that we are not having attacks on our sea-coast by other powers; otherwise we would have had to maintain a navy, which would cost as much as another 55 crores, and every year the Finance Member would have to come up to this House for that amount. I say that once something like 30 crores is let loose and that amount is employed for other beneficial purposes, the Finance Member will be in a very happy position and there will not be these deficit Budgets which, I am sure, will continue as long as this military expenditure is kept up at that level of 55 crores. So long as this continues, I do not think we can have anything but deficit Budgets in the years to come and the position will be probably much worse when handled by a new man under the new constitution. That is as regards military expenditure.

Then, as regards Customs, it has occurred to me that the Finance Member has overlooked the taxation of raw hides and skins which are being exported from this country. The point was raised by my Honourable friend Mr. Jamal Muhammad yesterday and by my friend Dr. Ziauddin the day before. I come from Southern India, I come from Madras, and I think that in the matter of exports of hides and skins the Madras Presidency beats all other provinces. We have a number of tanners all round the country, and during the last few years a large proportion of hides and skins has been exported in the raw condition. A duty of 5 per cent. is attached, which means almost nothing. I suppose Government are genuinely anxious to protect home industries, and if the tanning industry is an important industry in Southern India, as it is also in Upper India, in the United Provinces especially, which sends out large quantities of raw hides and skins, I think a duty of as much as 25 per cent. ought to be levied on raw hides and skins exported from this country. These tanneries are financed by Indian capital and they are worked by Indian labour, so that if a protective duty of that type is levied, a very great impetus will be given to these industries, with the result that we will have in those villages, where these tanneries are situated, a set of people looking much more decent than what they do now. And in this connection I would also point out that England will not be a very great loser if this duty of 25 per cent. or something approaching that is levied on raw hides and skins, because I find that among large buyers, America comes first, and France, Germany, Italy and other European countries come next. So that even if we have to look to the interests of England in this matter side by side with India's, it is a very wrong policy not to levy any export duty on our raw hides and skins. The volume of trade in these raw hides and skins is very great, at least in Southern India, where it is the chief industry, and it is, I believe, the third industry in India. So much with regard to raw hides and skins.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Are you sure you can tan all the raw hides and skins in this country?

Mr. Muhammad Muazzam Sahib Bahadur: I think we can. There will be a surplus of something like 5 crores worth of hides and skins which I think can be very well tanned in India.

Then, Sir, the brunt of all these taxes ultimately falls upon the peasant. He is the man who really has got to bear it. If one goes to the villages round about Delhi within a radius of say 5 or 6 miles, he will find that the peasants are in a very poor condition and it is a great pity that

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within a few miles of the Capital there should exist people whose houses are of the most ancient type, dirty little things and themselves clad in very dirty clothes. It is a sight which reminds one of the poverty to which they have been reduced. I think it will add to the fair name of England if, as I said, the military expenditure is cut down to at least half of what it is now and the money thus saved is spent usefully for rural uplift. We have got to see that the peasant in India is well-stationed, well clothed and well cared for.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Mr. President, in the concluding paragraph of his Budget speech the Honourable the Finance Member said that he has tried to measure his needs fairly and to meet them fully. I ventured to remark in my speech during the general discussion of the Budget that from the point of view of the taxpayer it would have been far better if my Honourable friend had attempted to measure the needs fully and meet them fairly. That he has measured the needs fully and perhaps over-fully there can be no doubt, but I have serious doubts in my mind whether in trying to meet his needs he has been fair to the taxpayer. In his forecast of the Budget position for the coming year my Honourable friend is faced with the problem of making good a deficit of 17 crores and 24 lakhs. Naturally, Sir, when the Finance Member is faced with a deficit of this nature, he attempts to make good that deficit by the twin methods of retrenchment and fresh taxation. My complaint is that my Honourable friend has not fully explored the avenues to the first method, that is; the method relating to retrenchment in public expenditure. My Honourable friend, Mr. Jamal Muhammad, gave a very simple proof which appeals to the layman, the man in the street, a proof which goes to show that, in spite of the intricacies disclosed in the figures relating to the Budget, there has not been any retrenchment of public expenditure in this country. My Honourable friend pointed to the very simple fact that the total expenditure of the Government of India in the current year is 135 crores and the total estimated expenditure for the next year is also about the same figure; and from a reading of these figures, he asked a very pertinent question, a question which, as I said, would appeal to the layman, where then is the retrenchment, if you are spending in the coming year the same amount of money that you have been spending in the current year? My Honourable friend in his Budget speech has attempted to show elaborately the various methods by which he had effected retrenchment, both on the civil and military side. He asked us to believe that on the military side he had succeeded in persuading the Army authorities to reduce their requirements for the coming year by 175 lakhs; and he asked us to believe that on the civil side he had effected retrenchment to the extent of 98 lakhs. Even if these two figures can be taken as a proper measure of retrenchment effected on the civil and military side, the position comes to this; that to meet a deficit of 1,724 lakhs my Honourable friend has effected retrenchment to the extent of 273 lakhs and wants the sanction of this House for the imposition of new taxation to the extent of 1,451 lakhs. That position, I submit, is not fair to the taxpayer. Out of a deficit of Rs. 1,724 lakhs, to ask the taxpayer to contribute Rs. 14½ crores and to say that you would retrench only 273 lakhs is not a fair proposition to be placed before the taxpayer.

If one were to analyse this question of retrenchment both on the civil and military side, I would submit that one would find that the retrenchment is more illusory than real. Dealing with the so-called retrenchment in Army expenditure, my Honourable friend, Mr. Ramaswami Mudaliar, in a very able and lucid speech pointed out the other day how this so-called retrenchment is more illusory than real. It is not necessary for me, therefore, to go into any detail in my attempt to show how the retrenchment is illusory and not real. I would apply only one test, and that is the test relating to the phenomenal fall in the prices of commodities in the world. The expenditure of the Government of India both on the civil and military side can broadly be classified into two classes,—the first class of expenditure relating to the pay and pension of its servants, and the second class of expenditure relating to the purchase of stores and other materials. I am prepared to take it for granted, for the sake of argument, that the hands of the Finance Member are tied in the matter of dealing with the pay and pension of the public servants, both on the civil and military side. The pay and pensions are not affected by a fall in prices and therefore they remain stationary; but I would ask my Honourable friend whether in the matter of the other class of expenditure incurred in the purchase of stores and other material, the Government of India have fully benefited by what I have called the phenomenal fall in the prices of commodities in the world. If you look at the index figures of wholesale prices in Calcutta you will find that in January 1930 it was 131, and in December 1930 it has fallen to 101. There has thus been a fall of very nearly 20 per cent. in the wholesale price of commodities. I would ask my friend to examine the expenditure of the Government of India from the point of view of whether they have obtained the fullest benefit of this fall in the prices of commodities. I wish that in his very able and lucid Budget speech my Honourable friend had given to this House some indication of a study of the expenditure of the Government of India from this point of view. I am very thankful to my friend for the lucid way in which he attempted to explain the position of the Government with regard to the salaries of public servants and the possible saving to the Government if, for instance, a ten per cent. cut were made in the salaries of all the government servants. I am at one with my Honourable friend in maintaining that under no circumstances can we go back upon our contractual obligations to our public servants. Rightly or wrongly, at a time when commodity prices in the world were ruling very high there was a clamour for the increase of emoluments of the public servants of the country, and as a result of that clamour and in the face of the protest of this side of the House, in those days the emoluments of public servants were increased to rates which we at that time thought were unreasonable and unwarranted. But whatever might be the mistakes of the past, today, so far as the pay of public servants is concerned, we are faced with this situation that the public servants who entered our services have entered that service on a distinct understanding, that they would get a certain amount of pay during the period of that service. I strongly maintain, and here I am whole-heartedly in agreement with my Honourable friend the Finance Member, that we should do nothing to impair the confidence of our public servants in the security of their tenure and their pay. But I would ask my Honourable friend to examine the pay of public servants from another point of view. So far as I have been able to make a cursory study of the items relating to the pay of public servants in the Budget

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grants, I find that in the case of many officers there are allowances over and above the pay that is given to them. I would like my friend to examine these allowances, the necessity for them and the justification or otherwise for retaining these allowances now. It may be that some of these allowances are part of the pay, and to such allowances my dictum will apply that we shall not do anything to touch those. But I submit that if you examine the Budget figures carefully, you will find that there are items relating to allowances which the public servant is not entitled to get by any legal right vested in him. I would submit to my friend the Finance Member that he will not be doing any injustice to the public servants, nor will he violate any contractual obligations, if in the face of the phenomenal fall in commodity prices and the fall in the cost of living, he were to reduce and in many cases abolish these allowances. I would have liked to make a detailed examination on this point. But, Sir, it is not possible even for the most laborious and careful student by a study of the book relating to Demands for Grants to find out what exactly is the nature of the various allowances and what would be the possible saving if these were reduced or cut down.

There is again another sphere in which, without touching the contractual obligations, you can effect retrenchment in the matter of pay. That will lead to the question of reorganisation of certain Departments. It may be that in a certain Department you are paying a man Rs. 3,000 per month; it may be that he is a very eminent man and that he deserves Rs. 3,000. But it may turn out, as the result of an examination and scrutiny of that Department, that to do that particular job you do not want a man drawing Rs. 3,000 a month, but that a man drawing Rs. 1,000 can as well do that job. Now, that is a matter of policy which would require careful examination, a matter which would lead to a reorganisation of the various Departments of the Government of India.

My Honourable friend has made proposals for the appointment of a Retrenchment Committee. We on this side of the House, on hearing his Budget statement, were of opinion that the scope of that Retrenchment Committee as contemplated by my Honourable friend was too restricted and would not lead to any useful results. Since then, Sir, my Honourable friend has placed himself in touch with the representative of the various parties in this House, and I take it that, before the close of this Session, he will bring forward definite proposals for the appointment of a Retrenchment Committee with wider scope and terms of reference. I would invite the Retrenchment Committee that would in course of time be appointed to examine the question of public expenditure from these two points of view that I have attempted to explain, namely, whether the Government of India have got the fullest benefit from the phenomenal fall in the world prices of commodities, and secondly, whether we cannot reorganise our public service in such a way as without breaking our contractual obligations, would enable us to reduce allowances and reorganize Departments with a view to get a cheaper and more efficient service. In this connection, Sir, I was very much interested in seeing in the telegrams this morning that in Great Britain the Prime Minister has announced the appointment of such a Committee, that in New Zealand, after an all-night sitting, the Parliament of that country has passed a measure reducing the salaries of its public servants by 10 per cent. I do not know whether in New Zealand public servants enter service on a contractual basis as they do in India; but in any case the example of New Zealand and how they reduced salaries are

matters which would require a careful examination by the Retrenchment Committee, and it will be the duty of that Committee to apply these principles in the examination of the public expenditure of this country.

Sir, my study of the question of retrenchment leads me to my net conclusion, that my Honourable friend has not effected that amount of retrenchment in public expenditure as this House would expect of him before he came forward with proposals for new taxation amounting to 14½ crores. And what about the new taxation proposals themselves? The main feature of the taxation proposals of my Honourable friend is that he has not attempted to tap any new source of revenue; he has resorted to the simpler method of increasing the rate on the existing sources of revenue. That, I submit, is not the proper way of tackling your sources of revenue when you are faced with a huge deficit like this. The proposals of my Honourable friend relating especially to kerosene oil and income-tax are proposals which we on this side of the House cannot for a moment agree to. (Applause.) Sir, in this connection I shall take this opportunity of drawing the attention of this House to only one or two aspects of the question relating to the proposed increase in the duty on kerosene oil, reserving to a later stage a fuller examination of this question. The position of the duty on kerosene oil is this, that before April 1930, there was an excise duty of one anna per gallon and an import duty of Rs. 0-2-6 per gallon. In his Budget proposals last March, my Honourable friend increased the excise duty to Rs. 0-1-6 and the import duty was reduced to Rs. 0-2-3. I would ask Honourable Members to note that, as matters stand at present, there is a difference between the excise and import duties in favour of the local producer. The excise duty today stands at Rs. 0-1-6 and the import duty at Rs. 0-2-3. Sir, if it is intended that your import duty on kerosene oil is purely a revenue duty and not meant to have the effect of protecting the home industry, then there is no justification for this difference in the margin between the import duty and the excise duty on kerosene oil. Two years back the oil industry of India and Burma applied to the Government of India for protective measures. The question was referred to the Tariff Board, and the Board, after a very careful examination of the whole question, came to the deliberate conclusion that the Indian oil industry did not need protection. In the face of this definite finding of the Tariff Board, I fail to understand the justification for maintaining this margin between the import duty and the excise duty. I thought, Sir, when my Honourable friend was faced with a deficit he would utilise this opportunity to equalise the import and excise duties on kerosene oil. In fact he gave an indication of how his mind was working in this direction in his Budget speech last year. The effect of his Budget proposals last year, as this House would observe, was to reduce the margin as it then existed, and my Honourable friend said on the last occasion this: "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". In reducing the margin, therefore, last year, my Honourable friend, in his own words, was taking only the first step, and I think I am justified in drawing a conclusion from his words that he would take the next and final step at the earliest possible opportunity; I submit, that the opportunity has now arisen. Instead of taking advantage of this opportunity, what does my Honourable friend propose to do? He wants to increase both the excise

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duty as well as the import duty by three-fourths of an anna, which would make the excise Rs. 0-2-3 and the import duty Rs. 0-3-0 per gallon, still leaving a margin of three-fourths of an anna in favour of the local manufacturer. I submit, that in making this proposal it was the duty of my Honourable friend, especially in the light of what he said last year, and more especially in the light of the discussion that took place in this House last year, to tell this House what reasons actuated him in making this proposal. If my Honourable friend wants to stick to his proposal, then we would be forced simply to omit the increase of three-fourths of an anna on the import item. If we did that, it would equalise both the import and excise duties at two annas and three pies. But, then, it will reduce the income of my Honourable friend by Rs. 43 lakhs, because my Honourable friend estimates that this additional duty of three-fourths of an anna in excise will bring in Rs. 52 lakhs and in import will give him Rs. 43 lakhs, thereby giving him Rs. 95 lakhs. If my Honourable friend wants to persist in this proposal, then he would have to forego Rs. 43 lakhs of revenue that he wants. I would like to give a constructive suggestion to my Honourable friend, which will equalise the import and excise duties, but which will not be a serious hardship upon the consumer and at the same time will give sufficient money to my Honourable friend. Unfortunately, according to the Government of India Act, I am precluded from tabling this amendment, and that is the reason why I have not tabled any amendment on the Order Paper. My proposal is this. Equalise both the excise and import duties at 2½ annas, which means that you will put an additional burden of only three pies per gallon on the consumer, instead of nine pies as my Honourable friend attempts to do, and I will respectfully submit to my colleagues that that would not be imposing an undue burden on the consumer. I have not behind me a Secretariat and a Budget Officer to prepare accurately what the effect of my proposal would be, but making a rough calculation, I find that the effect of my proposal will be to give an additional Rs. 70 lakhs on excise and Rs. 15 lakhs on import, thereby giving a total of Rs. 85 lakhs on kerosene oil as against Rs. 95 lakhs for which my Honourable friend has budgeted. I would submit that this is the only way in which this kerosene oil duty can be dealt with. I have thought it necessary to make the suggestion at this stage to my Honourable friend the Finance Member to give him, as he very often gives us, time to think over this matter and tell us definitely what he feels about this when the time comes.

With regard to the question of income-tax, the arguments against it have been so thoroughly discussed on two occasions that I think it would be superfluous for me to go into that question. I would content myself by saying that at a time when industry and trade are seriously hit, at a time when the country is passing through the severest period of economic depression, it would be a most unwise step to increase the rates of income-tax. Sir, this House would be giving a very severe blow indeed to industry and trade if they were to agree to these proposals regarding income-tax. When the proper time comes it will be for us on this side of the House to examine whether any increase on the existing scale is justified, and if so, whether it would be justifiable to impose that amount of additional burden which my Honourable friend wants us to bear. I would leave the question at that.

Before I sit down, I would just like to mention one other subject which is of very great interest apart from the Finance Bill. So many subjects are being discussed on the Finance Bill that I need not offer an apology for saying a few words on the question of, and the need for, the establishment of a Reserve Bank in India. The question of the establishment of a Reserve Bank has engaged public attention for the last five years; it is being thought of and talked of as a safeguard in the Round Table Conference. Well, if the Reserve Bank is to be considered as a safeguard, I would like to have that safeguard in the existing constitution rather than the future constitution. I would suggest to the Government of India not to wait for the revision of the constitution, but to take up the question of the Reserve Bank as early as possible. For one thing, if a Reserve Bank Bill is passed in this House at the earliest possible moment, it will remove one cause of friction and one cause of misunderstanding at the Round Table Conference. If there has been a lot of misapprehension on this matter, it is due to the fact that some of us know very little about the Reserve Bank, and some of those who want the Reserve Bank know too much about it. (Laughter.) I would therefore ask my Honourable friend to consider seriously whether it would not be in the best interests of the country to dispose of this question and to put a Reserve Bank Bill on the Statute-book before the end of this year. I would submit that it won't be a very difficult matter for the Government of India. (Sir Hugh Cocke: "Question.") For one thing, so far as the details relating to the establishment of a Reserve Bank are concerned, we went into the question very thoroughly and very fully in the deliberations of the Joint Committee of both Houses some five years ago, and I would submit to my Honourable friend that, so far as the details are concerned, those provisions would need very little change and alteration. It is common knowledge that the Reserve Bank Bill on the last occasion fell through not on the question of the details of the working of the Bank, but upon the great and fundamental question of control of the Bank. Even on this point there has been a lot of misapprehension. In the Round Table Conference some of the eminent British delegates spoke of establishing a Reserve Bank free from political influence, thereby at least implying that we, the non-official Members on this side of the House, wanted to import political influence in the management of the Reserve Bank. I feel confident in asserting that there is not a single non-official either on this side of the House or outside in the country who wants to import political influences in the working of the Reserve Bank. But be it noted that we want to eschew political influence not merely from the Indian side, but from the British side as well. (Hear, hear.) If the Reserve Bank scheme fell through on the last occasion, it was not because we wanted to import political considerations into it, but because we were filled with genuine apprehension that the British commercial and political influences would get hold of the management of the Reserve Bank. We spent anxious days and nights in the Joint Committee to devise a scheme which would ensure that the control of the Reserve Bank would be in Indian hands. I am sure that no one will dispute the genuine aspiration of the Indian people in this matter. If the time has come when the responsibility for the whole Government of India is to be placed in Indian hands, then, I ask, is it too much to claim that the control over the Reserve Bank should be in Indian hands as well? In fact, I would go further and say that, even

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though I might tolerate the control of the Government of India in foreign hands for some time, I cannot for a moment reconcile myself to the position of placing the Reserve Bank of my country in non-Indian hands. (Hear, hear.) On the last occasion we were not able to arrive at a satisfactory settlement on this point and as a rough and ready method we suggested that the Indian Legislature must elect 4 men on the Board of Directors. I am one of those who subscribed to that Report and that Report probably led the British statesmen to get the wrong impression that the Indian public want to import political considerations into the management of the Reserve Bank. Let me take this opportunity of making my position perfectly clear on this matter. Our position is this. What we aim at is not representation from the Legislature, but some safeguards to ensure that the Reserve Bank of India will be under Indian control. Let my Honourable friend devise some scheme which will ensure this Indian control, and I will assure him an easy passage for the Reserve Bank Bill. I would submit to my Honourable friend that the time has now come to tackle this question of the establishment of a Reserve Bank, and as I ventured to observe, to place the Reserve Bank Bill on the Statute-book before the end of this year.

In the interests of the Government itself, in the interests of the reputation of my Honourable friend, the Finance Member, he ought to establish the Reserve Bank at the earliest possible moment. Sir, year after year in his Budget speech my Honourable friend the Finance Member attempts to give an elaborate apologia of his currency and credit policy. I entirely sympathise with my Honourable friend on each of those occasions, but the real position is this, that even though an angel may be the Finance Member, he cannot satisfy public opinion in the management of currency and exchange and credit policy. I entirely agree with him that some of the measures that he has adopted are just those measures which the currency authority of any country would be forced to adopt in the circumstances in which my Honourable friend is placed, but then I would submit that my Honourable friend the Finance Member and his Department, with all the knowledge and experience they have, cannot accurately study the intricacies of the money market and the credit position of the country in the same way as a Reserve Bank can be trusted to do. That is the whole weakness of the position of my Honourable friend, the Finance Member, when he attempts to give his apologia for his currency and credit policy. Year after year, during the last four or five years, my Honourable friend and his predecessor have been attacked by the Indian commercial community for the policy of the contraction of currency which they have been pursuing. I entirely agree with my Honourable friend that contraction of currency is one of the legitimate methods employed by the currency authorities of any country in the world under certain circumstances, but I would again submit that with all his knowledge and experience, my Honourable friend the Finance Member cannot be trusted to appreciate the position of the money market and the credit position in the country as the Reserve Bank can be expected to do. My Honourable friend in his last Budget speech drew a comparison between the fall in prices of commodities in the world and the contraction of currency that he had made and attempted to prove that the relation between

the two is just what it ought to be. But here is an article in a paper that came to me this morning. It says that, if there has been a fall in the commodity prices of India, there has been this fall of prices throughout the world, and if measures taken to contract currency are justified on the ground of a fall in prices, then every country in the world must have contracted its currency. But what exactly is the position? Some of the most important countries in the world during the last few years, though they were also faced with the problem of a fall in prices, have actually expanded the currency instead of contracting it. In India from March 1926 to December 1930 there has been a contraction of currency to the extent of 20 per cent. of the total volume of currency, whereas during the same period in the United States, which had experienced even a greater tumble down in prices than India, there has been an expansion of currency to the extent of 4 per cent. In Japan there has been an expansion of currency to the extent of 19 per cent., while it is only in the case of Great Britain that there has been a contraction, but that contraction is almost negligible, because it is 0.54 per cent. How is my Honourable friend the Finance Member going to justify his policy of contraction in the face of what has taken place in other countries? This argument, whether my Honourable friend is right or wrong in contracting currency, is one which does not lead us to any satisfactory solution. Month after month and year after year the Finance Department and my Honourable friend maintain that the measures that they take are absolutely necessary in the existing circumstances of the country, and month after month and year after year trade and industry in India are crying that as a result of the undue contraction of the volume of currency, money rates have been made dear and therefore trade and industry suffer. The only solution is a Reserve Bank, and if it is established, the Indian public can trust such an institution to understand and study the various delicate situations that arise from day to day in the money market and the credit position of the world, and adjust the volume of currency to suit the needs of the day. It is only a Reserve Bank that can be trusted to do that and no Government, even though Sir George Schuster is the Finance Member, can be trusted to carry out this policy to the satisfaction of the public. I would therefore suggest to my Honourable friend that in his own interest and in the interest of the Finance Department of the Government of India, irrespective of the future constitutional developments of this country, a Reserve Bank ought to be established at the earliest possible moment. But it might be asked, if a Reserve Bank is to be established, have we got enough gold reserves? If today our gold resources are depleted, if today the want of these gold resources is a serious hindrance to the establishment of a Reserve Bank, I would submit that a part of the blame has to be placed on the shoulders of my Honourable friend the Finance Member. You have only to study the composition of the Paper Currency Reserve during the last two or three years to find out how, week after week, our gold resources have been disappearing from the Paper Currency Reserve. If I were to go into a detailed examination of this question, it would take me into intricate and technical matters. Suffice it to say, that our gold resources are certainly not as they ought to be, but with all that, we have to face the problem of the establishment of a Reserve Bank.

In dealing with the Paper Currency Reserve there is one aspect of the activity of my Honourable friend the Finance Member which has been

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criticised in certain commercial quarters, but for which I do not criticise him. I refer to the sale of silver. The Government of India have been selling their surplus silver on the market ever since the Hilton-Young Commission reported, and they have been seriously criticised for this by some sections of the Indian commercial community. I am not one of those who agree with that point of view. If we are to establish a Reserve Bank and if we are to place our currency on a gold basis, then the sooner we get rid of our surplus silver the better it will be. Not only that. I would go further and say that one great obstacle in the way of our going on to a gold standard and the establishment of a Reserve Bank is the enormous volume of silver rupees in circulation, which means that the Reserve Bank must undertake the liability of redemption in gold of these silver rupees. That problem can be faced in only one way, and that is by disposing of the surplus stock of silver in the Government of India treasuries. In this matter, if there has been some amount of criticism on the part of the public, it is due to the fact that the Government of India have not given details relating to their sales of silver and how those sales compare with the annual output of silver in the world. There are those who have maintained seriously that this tumbling down of silver prices in the world is due to the Government of India placing their surplus on the market. As a result of the study of an article by Mr. Findlay Shirras in the *Times of India* some time ago, I find that though the action

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of the Government of India, in placing their surplus silver on the market, has certainly contributed to the lowering of the price of silver, it is certainly not the prime factor in the fall in the price of silver. (Hear, hear.) The Report of the Controller of the Currency, Sir, gives every year the total quantity of the Government of India's silver reserves, but I would suggest to my Honourable friend to ask him to give in his Report statistics showing the various sources from which silver has been placed on the markets of the world every year. I have not got the exact figures, but I find that, from the date of the Hilton-Young Currency Commission's Report to the end of February, 1930, the total quantity of silver placed by the Government of India on the world's markets, was only 67·8 million ounces, whereas within three or four months of the year 1930, the Government of Indo-China itself placed on the markets 50 million ounces of silver. Within a few months the Government of Indo-China, Sir, placed 50 million ounces on the market, whereas the Government of India in the course of five years placed only 67 million ounces of silver on the market. Apart from that, Sir, here is a diagram which gives the world supply of silver in the year 1929, and from this diagram I see that it is the Mexico mines and those of the United States of America that are responsible for all this quantity of silver in the world's market, and that the total quantity of silver placed on the market by the Government of India in the year 1929 is probably less than 15 or 20 per cent. of the total volume placed on the market by these countries. That, Sir, would show that the Government of India are not after all responsible for the tumbling down of the price of silver in the world. But I say that if the public do not judge the situation properly and level what sometimes is an unfair criticism against the action of the Government of India, it is because my Honourable friend, the Finance Member, and the Controller of the Currency have not given all the relevant facts and figures on which the public can come to a proper judgment on this point. Sir,

my Honourable friend, in his last year's speech, gave an indication of some international co-operation in the matter of regulating the price of silver. So far, nothing has materialised. But I would ask my Honourable friend to be careful and watchful of the interests of India in this matter if and when such international co-operation materialises. I have no doubt that my Honourable friend would very jealously guard the interests of India in this matter, but my apprehensions have been seriously aroused by what I read in a telegram some time back, and this is the telegram:

"In connection with the Senate inquiry into the causes of the decline of American trade with China, Mr. Pittman, the Chairman of the Sub-Committee, pointed out that it was the result of a similar drop in the value of silver and in China's purchasing power. He hoped that Britain would stop the release of silver bullion from India. He considered that silver would revert to its normal price if sales were suspended for three years. It was merely"—says this great senator of America—"a matter of persuading Britain that the establishment of a gold standard in India was an impossibility."

Sir, America wants us to learn through Great Britain that the establishment of a gold standard in India is an impossibility, and therefore it advises us, through Great Britain, that the Government of India must be asked to stop their sales of silver. I am sure that if our Indian critics realised fully the implications of the silver position, they would not merely support the Government of India in their policy relating to the sale of silver, but would urge upon the Government the necessity of getting rid of their surplus silver stocks at as early a date as possible. In this connection, Sir, I would like to offer my Honourable friend a suggestion which has already been made to him in certain quarters. When the time for this international action arises, and if America wants that we should not place our surplus silver on the market, my Honourable friend should ask the Federal Reserve Bank of America to give us a gold loan against our silver, and that would be one of the means by which we can replenish our gold resources and thereby hasten the day for the establishment of a Reserve Bank. I hope, Sir, my Honourable friend, the Finance Member, will keep this suggestion which has been already made to him in mind and see that if the Government of India become a party to international action in this matter, we should secure a gold loan from America in consideration of our stopping the sales of silver for some time. These, Sir, are some of the matters which I thought it would be worth while for me to draw the attention of this House to at this stage of the consideration of the Finance Bill. I know, as I said, that the discussion on the Finance Bill by immemorial custom has ranged over a wide variety of topics, but I will not exercise that right. (Hear, hear.) I would, therefore, Sir, conclude my speech with these remarks. (Loud Applause.)

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Sir, the House has listened with the greatest interest to the able speech which has just been delivered. I do not wish to traverse the same ground. I wish to confine myself in the remarks I have to offer to the House to the question mainly of retrenchment. Sir, we are faced with the reality of a huge deficit of 14½ crores. Whether there has been in fact any real retrenchment or not, the fact remains that there is this big deficit; and the problem with which we are faced now is how to make it up, how to fill this gap. There are two methods; one is retrenchment, and the other is taxation. The Honourable the Finance Member has told us that

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it is not possible to find any money by retrenchment of expenditure and that, therefore, we must support his Finance Bill, by which he wishes to raise 14½ crores. We on this side of the House are not at all satisfied, Sir, that there is really no room for retrenchment. Not only that, we are convinced that there is considerable room for retrenchment (Hear, hear) both on the military and on the civil sides—more perhaps on the military than on the civil side. Sir, His Excellency the Viceroy in another place said that taxation should be as light as circumstances permit, easy of collection, and certainly proportionate to the means of the tax-payer today. I am sure that that advice his own Government will take to heart, and it is in that light, Sir, we shall address ourselves to the Finance Bill. We all know, the fact cannot be denied, that India is the poorest of all countries; the means of livelihood of the masses are so narrow that they have hardly any margin, whatever left, not to say of ordinary comforts which people in other countries enjoy. Therefore, any further taxation in this country would mean encroaching upon the means of barest subsistence of the people. We have the other fact, a very glaring fact, that the military expenditure of India, compared with the income of the people and the expenditure on the civil side, is extremely disproportionate. More than half of the revenue is spent on defence. We, on this side of the House, feel very grave difficulties indeed in making positive suggestions in what directions the military expenditure can be cut to any substantial extent. The Military Department is a sealed book to the people of India. We know nothing about the administration of the Military Department; we are not allowed to look into it at all. A very small item of military expenditure is placed before us for voting. Similarly on the civil side, though to a less extent, a great proportion of the Demands are non-votable. Therefore, our difficulty in making substantial cuts is very great. Substantial cuts if made by this House would be more or less of an irresponsible character. To this difficulty another difficulty is added by the way this Budget and the Finance Bill are presented to the House. Sufficient time is not given to us to consider the proposals of the Budget in any detail. We have, therefore, very little opportunity to deal with the details of the expenditure and it was that reason which actuated us not to make any substantial deductions. That was the reason and the only reason why we refrained from making substantial cuts. The other day, when the Budget Demands were granted, some of the Honourable Members on the Treasury Benches smiled, giving the House the impression that we have put ourselves in a sort of dilemma. Nothing of the kind. We made our position absolutely clear from the beginning. There can be no misunderstanding on that point, namely, that because we have passed the Demands, therefore, we are precluded from interfering with the Finance Bill. If that were so, we would have made very large cuts indeed in the Budget. That position must be clearly understood. Therefore, as we made it clear, we are going to deal with the Finance Bill properly. Let us see for a moment—though we are all ignorant about military matters, and that is always flung at our faces—let us see whether really there is no possibility of reduction in the military expenditure. Defence, and what is necessary for the purpose of defence, must be judged and must be ascertained with relation to the position of India and the people and the nations outside. Looking at the Military Budget, any one would think that India is in constant danger of invasion from outside forces. Who

are those neighbours of whom we are so much afraid? Afghanistan? Really, does any one believe for one moment that Afghanistan is in a position or willing or wants to make any invasion on India? We are always referred to past history. We are told, look at the Khyber Pass. But the Khyber Pass today has not the same significance as it had in the days of Alexander the Great, or Muhammad of Ghazni or Babar. We know that India, as a matter of fact, stands in no danger of invasion from Afghanistan or Persia or Nepal for the matter of that, or the great China. At one time we were always frightened and I believe the Indian babies used to be frightened by the talk of the Russian bogey and Czarist Russia. I have not the least fear in that direction. Czarist Russia is no more in existence, and I, for one, would require a great deal of convincing that the Soviet Russia has got any designs upon India. We, Asiatics, generally speaking are not like the modern European nations. The European nations are always ready to fight and destroy each other. That has not been the spirit of Asiatic nations of the East after the mediæval ages. (Hear, hear.) So far as that is concerned, we are far advanced far more advanced than the people of Europe. In Europe the nations have to be always armed, lest any excuse might be found to bring about a war. Is that really the case in India? Is it really necessary for us that we should be always armed to the teeth against possible invasions?

Then, Sir, a great deal is made of the frontier raids. When I came here, I made enquiries of a number of friends, especially those who live in the North-West Frontier Province. All that I could get was that there were raids. No doubt we call them raids, but it is not anything which by any stretch of imagination could be called or could be said to be a danger to the safety of India. Some people's property may be looted by a band of men consisting perhaps of ten or 30 men well armed, or some man might be caught hold of by these rebels and held to ransom so that they can get money from their relatives. For that purpose, surely, it is not necessary to have a huge standing army. Nowadays, especially when you have got an air force, there is not much need for a large army. It is considered even by military authorities, as one reads in the newspapers,—and I think my Honourable friend Mr. Arthur Moore also pointed it out the other day—that when you have an air force as a substantial addition to the armies, it should be possible to reduce correspondingly some of the other arms. I find that for the Air Force I think something like 3 crores of rupees have been budgeted. Do you find any indication that any reduction in any of the other arms is thought of? Not long ago so far as Mesopotamia was concerned, we read in the newspapers that the British Government proposed to withdraw the garrison from there and substitute it by air arms, and they thought that their interests there would be sufficiently guarded and effectively guarded by the air arms and at much less cost. Is not that a consideration which the military authorities might well be asked to take into account? We are well aware that the military authorities are all experts; and even in the civil Departments the most difficult thing for any administrator is to deal with experts. They can always say that a certain thing will not do and it is very difficult to argue with them. It is a natural tendency, especially for the military, to perfect their organisations as much as possible. There is indeed no limit to it, but some limit has to be found. One is, what are the dangers against which we have got to guard ourselves. and the other is, what are the resources of the

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people. They have to take these matters into consideration. There is another special difficulty in this connection, of which I am fully conscious, and that is that the British troops are controlled by the Committee of Imperial Defence in London. But whatever that may be, whoever may be the ultimate controlling authority, we are entitled to point out, this is the limit of our resources and we cannot pay any more without undergoing the greatest hardships". It is indeed for the Committee of Imperial Defence to decide; but I am sure that in coming to a decision they will listen to the advice of Their Excellencies the Viceroy and the Commander-in-Chief. These high officials are well aware of the financial condition of the country, and we will have to appeal to them to impress upon the Committee of Imperial Defence that it is necessary, in the broader interests of the country, that the expenditure should be considerably reduced. That, Sir, is all that we can do in this matter.

As regards the civil side, many of us have had experience of the civil administration and know the ins and outs of it; and no one can really deny that there is also room on that side for considerable retrenchment. I am sure there is no Member on this side of the House who would make irresponsible suggestions which would in any way impair the efficiency of the administration. I for one am always conscious that the British in India have conferred a great boon on the people by establishing a systematic administration in the country and by eliminating corruption from public life to a very substantial extent, if not altogether. I for one am prepared to pay this high tribute to the members of the Civil Service; but at the same time we are all aware and we are very much impressed with the fact that as time has gone on there has been a growth in the civil administration which might well be pruned in certain directions. Several instances have been cited in the course of the discussion, and I will just mention one. We know that we maintain a large establishment in the India Office and the expenditure there is by no means despicable; and we have now established also a High Commissioner who has also a very large full-fledged staff. Now, the High Commissioner is supposed to have taken over some of the functions of the India Office. Has there been then any reduction in the expenditure of the India Office worth speaking? We have given a magnificent house to the High Commissioner and his staff. I have not seen it, but I am told that it is very inartistic and I can quite believe it. I know what some of their architectural productions are. We have therefore the High Commissioner with his expensive staff side by side with India Office. Now we are going to have radical changes in the constitution, and I ask, is it really necessary to wait for the change in the constitution, in order to effect a reduction in the India Office? It is well known, it is no secret to any one that there are several members of the India Office who have very little work indeed given to them. Is it necessary to keep up all this staff there? That is in fact really what has been going on throughout the administration. Take for instance the district administration. We know that a Decentralisation Commission was instituted some time ago and one of the results that was expected was that the expenditure on the ordinary administration would be substantially reduced if we promoted local administrative bodies like district boards, local boards and municipalities; but what has been the result? All these additions have been made, but the administrative staff remains the same or rather has gone

on increasing both in the Secretariat and in the districts. Now, one thing which is very noticeable in the present Indian administrative arrangements is this: we have got a sort of layer upon layer of supervising staff, and by that very means work is multiplied and necessarily also the expenditure. One other great evil of this system is that the sense of responsibility is lost somewhere. In the provinces, for instance, a persistent cry has been going on for some time, at least in Bengal, for the abolition of Commissioners.

An Honourable Member: In Bihar too.

Sir Abdur Rahim: And in Bihar also, which stands really on the same footing. But no heed has yet been paid to it. The Collector is the centre of district administration. He is a highly paid official and yet you must have some one to supervise his work; he cannot deal direct with the Government. I have never been able to understand the reason.

An Honourable Member: They have no Commissioners in Madras.

Sir Abdur Rahim: There are other provinces, for instance, Madras, where they have no such intermediary. There is one Board of Revenue and that deals directly with the collectors as regards revenue matters. That is why I give that as an instance. Now, in the Secretariat—I speak from experience of a Provincial Government. They are really over-staffed. We have got clerks, very good clerks and assistants who know their business thoroughly well. But that is not sufficient. We have Assistant Secretaries, Deputy Secretaries, Under Secretaries, Joint Secretaries and Secretaries. This machinery is really so complicated that it becomes very difficult to know on whom to rely. The work is multiplied and the expenditure is increased. Mention has been made of allowances; and latterly the leave allowances have been made so generous that it is as a matter of fact more paying to an officer to go on leave than to work in his office. Surely there is considerable room for economy in all these matters.

As regards salaries, I think there can be no doubt, as Mr. Shanmukham Chetty has very forcibly pointed out, that contractual obligations of the Government, whether towards those who are recruited in England or those recruited in India, must be respected. There can be no two opinions about that. In some cases there are express written contracts or covenants; in the case of others there is no such written contract perhaps, but it must be taken that there is an implied contract that, except for misbehaviour, an officer once appointed must continue to hold office and to draw the salary on which he was appointed. So far there can be no doubt. Furthermore, I must warn those who may have to consider the question of retrenchment, that as regards reduction of salaries, there is a point beyond which they ought not to go. We can never be too careful that we do not pay our officers salaries which are not sufficient to supply them with reasonable comforts of life and to assure them against privation or want. That is the proper standard which has been adopted by the authorities.

So far as reduction of salary is concerned, that is one general principle which has to be borne in mind; and so far as European recruits are concerned, as my Honourable friend, Dr. Ziauddin, pointed out the other day, they have to be given sufficient pay and emoluments to attract the best kind of recruits. In this respect, Indian opinion is quite clear and so long as we have to import recruits to services from Europe—and we will have to do it at least for some time to come—we have to be prepared to pay

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them sufficient wages. I therefore only want to point out that on the question of retrenchment the principle on which the salary is to be based must be carefully borne in mind.

As regards the different provisions of the Finance Bill, on the question of taxation of income, opinion is unanimous on this side of the House that the income-tax, as it is, is very high and cannot properly be made any higher. Some of us would be prepared to consider whether a very moderate increase is possible or not. But the increase proposed by the Government is of a character which none of us will countenance. As regards the case of import and excise duties on kerosene oil, the principle we are going to adopt is that the duty should be so regulated as not to cause any hardship to the poor; and the same principle we are going to adopt, if there is to be any increase at all in the income-tax, that the incidence of the tax falls less heavily on the people with the lesser income.

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, we have now come to closer grips with the Finance Bill. The Honourable the Finance Member's proposal by means of this Finance Bill is to add about 15 crores of additional taxation, he having had the advantage of raising last year 5 crores of taxation. So, what is it we are asked to face? We are asked to take up, by the Honourable the Finance Member on behalf of the Government of India, the responsibility in the course of two years for an additional burden of nearly 20 crores.

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): More than that, Sir. Last year the new taxes . . .

Mr. President: Order, order. Let the Honourable Member proceed.

Mr. C. C. Biswas: Last year the additional taxes gave the Finance Member much more than he had anticipated.

Diwan Bahadur T. Rangachariar: That is rather a question of minor importance, if my Honourable friend will permit me to say so, if you look at the net result. Now, Sir, if the Honourable the Finance Member were in our position, if the Honourable Sir George Schuster were representing the public of India in this House, would he consent to such additional taxation? I put him this question direct. Would he go before the Round Table Conference and accuse us of a sense of irresponsibility and tell us, "Look at these gentlemen; I told them this taxation was necessary to fill up the gap; they won't fill up the gap; they refuse me supplies; this is the sort of people to whom you are going to transfer responsibility." Sir, we wish to justify ourselves before the world, if not before the Finance Member in refusing supplies to the extent we propose to do. Sir, I may take him into my confidence as regards the attitude at any rate which my party is going to take. We are going to refuse supplies to the extent of nearly 6 crores. (Hear, hear.) How we propose to do that is a matter of detail which I will come to later on. We do consider and agree with him that, as a temporary measure, having regard to the conditions through which the country has passed, it will be necessary on our part to share the responsibility with the Government of India,

although we are not responsible for all their sins of omission and commission, but still, they being the Government as they are now by law established, we have to submit to them, and therefore we think reasonably that to the extent of about 9 crores or less than 9 crores we may have to fill the gap by additional taxation. We do think, Sir, that the rest of it should be found by retrenchment. I am not going to labour the point in great detail. After all, our proposal, if the Honourable the Finance Member will examine it, comes to between 4 and 5 per cent. of the entire expenditure, excluding expenditure on the Railways. Our net expenditure is about 135 crores, 1 per cent. out of 135 crores, if he cuts off from the various Departments of which the Government of India are composed, including the military, will not be a heavy burden to take on. Only there is the will wanting on the part of the Government of India. That is the way we read the situation. We want to force that will to come into play. But if notwithstanding this appeal on the part of the non-official Benches, the Government of India persist in imposing this additional burden upon the people of India, the responsibility shall not be ours. They will have to take the whole responsibility on their shoulders.

Sir, we have listened for the last three days to the long and heavy budget of grievances of the people of the land. They are either genuine grievances or what my friends believe to be genuine. I refute the statement made by one Honourable Member yesterday that the grievances which have been put forward are only imaginary. They are believed to be genuine or they are genuine grievances that have been put forward.

Now, Sir, my direct attack on the Government of India is this. They seem to treat this Assembly as a necessary evil. They want to use it as much as the law requires that we should be used. In other respects, where the law does not compel them to consult us, they treat us in a very step-motherly fashion. Distrust, suspicion and no desire to take us into confidence on various matters, refusing to place materials which are needed for our understanding and our discharging our duties here on the spot are some of the things which make us think that they are treating us in a step-motherly fashion. If the Government supply us with materials at all, they supply them in such huge bulk and at such short notice that they are worse than useless, because we get them at a time when we are busy with all sorts of work; we are supplied with lots of materials at such short notice that we have no time either to read or digest the matter placed before us. Sir, I will mention one instance to show how a grave error has been allowed to pass without one word of comment. I heard a very interesting story as to how the finances of India are managed by our paternal trustee-Government. In 1918 there was a shipment of timber sent to a place called Salonika. I forget my geography,—I do not know where it is. (An Honourable Member: "It is in Greece"). By the time the shipment reached that place the armistice had been declared and the timber was not required there. So it was diverted to London to be sold there by our agent—I think he was one Mr. Howard or somebody. That Agent kept this shipment of timber for two years and yet could not find a sale for it. I think the timber was worth more than £20,000 or £30,000, I forget the exact figure. Well, the London agents said that they could not find a market for this consignment of timber, and so they were advised by the Government of India to sell it for any price they could get. Consequently

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the London agents themselves bought it, I think, for £5,000. Then somebody discovered some use for it and said that the timber was required, or at least a portion of it was required, for the exhibition. Then it was suggested that we should re-buy the whole lot, and I think the whole lot of timber was re-purchased for some considerably higher amount than the price for which it had been sold. Then they found there was no use of the exhibition, and therefore the whole lot of timber was kept with our agents. It remained with them until I think their agency was about to come to a close, I believe, in 1926. The London agents could not sell it, and so they asked the Government of India what they should do with it, or if they could sell it for £5,000. The Government of India agreed with the proposal, and so the whole lot of timber worth about £20,000 was sold for £5,000! The amount was kept in suspense, about a lakh and odd for years together; it was not shown in the accounts at all, and quietly, Sir, it was introduced in the Supplementary Demands at the very first sitting of the Finance Committee of this House, which was constituted on the 23rd of January and it was introduced here as a Supplementary Demand without one word of comment. It was passed by this House without finding out who was responsible for this colossal waste and blunder, or how it happened. More than £20,000 worth of timber was lying in the London market for a long time, and then it had to be sold and purchased, again it had to be re-sold and re-purchased which only resulted in a huge loss. Somebody ought to be held responsible for it. It is the officers who are in charge of our finances who are responsible for our poor financial condition. I am only mentioning this to show that very little time is given to us to examine these questions carefully. So that, my complaint against every Department of the Government of India is this, that they do not treat us properly at all.

I will now take, Sir, the Commerce Department. Unfortunately the Leader of the House is not here. Anyhow, I will take the Commerce Department first. What is it that we should like to have information upon? They are matters eminently within the knowledge of these gentlemen who are in charge of our affairs. My Honourable friend Mr. Jamal Muhammad Saib has been agitating for increasing the export duty on hides and skins. Either he has a sound proposition, or he has not. I am not an authority on that subject. I know this much that the tanning industry in Madras is an indigenous industry in which many hundreds of Mussalman families are interested. That industry has grown to be a popular one down in the South, and I believe it was so in upper India. We have got some natural products down there in the South, like *avaram* bark, which enable us to produce nice tanning, and that is how this tanning industry has grown in importance. We know also that the scientific processes of the West are far superior to ours, and they are able to produce in large quantities and thus compete very easily with us. So, America is interested in that. America wants only our raw hides just as every other country wants our raw products so that they can manufacture them and send them back to this country and sell them at a hundredfold price. They want only our raw hides and skins; they do not want our tanned skins. They want to protect themselves, and they have, as my Honourable friend, Mr. Jamal Muhammad Saib has said, put on an extra

duty of 10 per cent. on tanned hides and tanned skins, if I am correct in my information. Years ago when I was here, we put on an export duty of 15 per cent. on raw hides and raw skins. That was reduced in the year 1925-26 to 5 per cent. What was the necessity which induced us to put on this 15 per cent., and what was the necessity for reducing it, when America had put on this extra duty of 10 per cent. so as to make our five per cent. absolutely useless and make it a disadvantage to the tanner in this country? What is it that the Government have done or propose to do? Have they given us any account of their examination of this question? It is a vital question. Nobody can deny that it is a key industry. We want, if possible, to encourage the tanning industry in this country so that we may produce all the leather which is needed for the millions of people who use shoes and other things in this country. Is the tanning industry a key industry? Does it deserve to be protected? Is there any unreasonable competition from countries who are interested in tanning? These are matters in which one would have liked the Honourable the Commerce Member to interest himself and present us with an epitome of information on the subject. But, Sir, they do not do it. I wish to impress upon the Honourable Members of Government that each Department will do well, before the Assembly meets in January or December, to have a memorandum presented to us of its activities. You want our confidence; you want our vote in order to increase the taxation of the people. Then, why should you not give us information about the activities of each Department? On the other hand, what happens? After we have all left, when the information is not at all of any use, there comes "India in 1929-30" or we will have "India in 1930-31" offering criticisms of the way in which the Assembly discharged its duties. We do not want such a Report. We want concise, condensed reports and statistics giving us valuable information; we want a condensed account of the activities of each Department for the year so that we may just judge them fairly. You may say, "We are working night and day; we are working sixteen hours by day and sixteen hours by night." (Laughter.) That may be true, but we want evidence of that, before you can ask us to furnish you with the necessary funds to carry on. We are kept in the dark. People in London come to know of things which happen in India, much sooner than we do. The very first information we have—I suppose, probably my friends in the European Group are in a better position in that respect, but I am not quite sure. For instance, the other day, I saw that the Premier had announced in the House of Commons with a great sense of pride that some roads had been constructed somewhere of great value, and all that was done so secretly and so quickly that he claimed credit for the people who did it. The people of India who are interested in these things know so little about them. I have heard so much about the activities, or rather the misconduct or rebellious conduct of a regiment known as the Garhwali Regiment. We get only allusions to this in various ways, but up in London, they seem to know things much better. I find that immediately thereafter questions were asked in the House of Commons, when the whole country here was in the dark. The House of Commons somehow or other come to know of it and they put questions there. How is it that the people of this country, at any rate, we who belong to the Legislature, how is it that we are neglected in these matters? It is not only in this matter; I can give you hundred and one,

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if not a thousand and one instances, in which we were neglected. My accusation against the Government of India is this. You think, "The Statute requires us to consult you so far. Beyond that, we will not do it. We will consult you with insufficient materials; we will keep you in the dark. Vote as you like. Vote in the dark as you like, or vote according to our mandate". Sir, we refuse to be a party to that sort of thing.

Take this question of kerosene oil, on which my Honourable friend Mr. Shannaukham Chetty has made a constructive suggestion today. Not that I have accepted it all at once; it is only a suggestion. I see some difficulties in accepting that suggestion; it requires to be examined. What is this excise duty on indigenous oil and the import duty on foreign oil? I am not either an importer or an exporter; I do not know anything about it. But I know this, that the poor people use what is known as yellow oil; and I understand that there is really no competition from the foreign market in yellow oil. The whole of the yellow kerosene is produced in this country. And why should it not be secured to the people of the country at a little over the cost price, giving a reasonable profit to my Honourable friend Mr. Heathcote and his company? I will put my questions straight to Mr. Heathcote. Why does he enter into this pool, or what is called some arrangement with some foreign companies, and keep up the price of yellow oil, which had a margin of difference of Rs. 1-6-0, and now the difference is reduced only to eight annas? Will he undertake on behalf of his company to restore the difference between the yellow oil and the white oil at least by one rupee? Then, I can understand, it does not matter whether it is a foreign company, or white men running an indigenous business, and all that. I do not think all those things will count; but no doubt, there is some sort of prejudice against that company, and I find from the discussions of last year that they made a huge profit of 30 per cent. or something like that, or their bonus was nearly four times the value of their original paid up capital, and all that. My object, and I dare say that my Honourable friend Mr. Chetty will agree with me in that object, as my Honourable friend Sir Abdur Rahim has told us,—is that we want to benefit the poor. And which is the best way of benefiting the poor? The proposal of my Honourable friend Mr. Chetty will not benefit the poor; on the other hand, it will increase the burden as much as the Government propose to do. But that is not benefiting. You increase the excise duty by three pies. My Honourable friend Mr. Heathcote will say, "You have increased the excise duty from one anna six pies to two annas three pies or two annas six pies, and therefore the price of yellow oil will go up. I will be justified in putting up the price of yellow oil". We want to reduce the price of yellow oil, which I think the B. O. C. can well afford to do but for this understanding, this mischievous understanding with some other foreign companies. Therefore, if there is some way of enabling the Government to keep the excise duty as it is and increase the import duty, on the understanding that the price of yellow oil will be reduced so as to benefit the poor, that will be a more preferable course to adopt than the one suggested by my Honourable friend Mr. Chetty. These are matters on which we want the assistance of the Commerce Department. They are in a better position than ourselves. They know exactly the quantity exported and the quantity imported, they know also the quantity of output

in the indigenous companies, and what other indigenous companies there are, and how this proposal will affect them. All this we do not have, and we will have to vote in the dark. We have to be informed; lawyers like me, and possibly people in other walks of life may not have expert knowledge on this subject. For instance, my Honourable friend Sir Cowasji Jehangir who is a merchant,—probably he is interested in cotton mills, I do not know; he may not know anything about oil. We want information to be placed before us. Such information should be placed before us before we meet. Again, take the question of wheat. I am glad to see from the newspapers, and I think it is also on the agenda for tomorrow, that some Bill will be brought forward giving temporary protection for wheat. This is a matter which ought to have been examined and I am glad such a proposal is coming forward.

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So also in the case of the Home Department. I am sorry the Home Member is not here, because I am going to say severe things against that Department. I am not making my statements with a view to accuse them for the past. I want them to learn the lessons of the past. I thought they had learnt the lessons of 1919 and 1920. I want them to realise the great harm which is done to the country and to the relations between the Government and the people by the adoption of what I may call the Dyer methods of terrorism. It will not do to adopt terroristic methods to put down reasonable agitation or even unreasonable agitation. I will take the civil disobedience movement as an unreasonable agitation. As the Government, you owe a sense of responsibility to the people, and my charge against the Government is that they have been looking askance at the excesses committed by the police. Take the Magistrates. A Magistrate in Guntur passed an order under section 144 prohibiting the use of Gandhi caps. A more foolish and silly order I cannot conceive of. It was brought to the notice of the Government. It was brought to the notice of the Home Department of the Government of India. They simply kept quiet and saw how the order worked. Some people had got to go to the High Court to get that order set aside. They gave the Advocate General to defend it. The High Court set aside the order, and the Magistrate got a C.I.E. for abusing the section and passing that foolish and silly order under section 144. This is the way in which you discourage the abuse of the law! Then the national flag was hoisted on the tops of some bazaars in Rajahmundry or Cocanada. What is the ground on which the Magistrate passed an order? He said that some rowdies and persons addicted to violence might take offence at seeing the national flag flying on the top of the building, and there might be a breach of the peace, and therefore the flag must be pulled down. You prevent what is lawful, because rowdies are going to object to it. These are exactly the terms of the order. The High Court saw what a silly order this was, and set it aside. Instead of smoothing matters, these orders are likely to increase the bitterness of the people. What does that Magistrate do? He does not care for the judicial officers. That man gets a C.I.E. whereas a man who so behaves that everything is quiet in his district, gets nothing. The man who is statesmanlike in his manner, gives the people latitude and sees that there is no trouble—that man does not get a C.I.E. or C.S.I. You encourage the man who invites trouble, who is the strong man. This sort of mentality will not do. In the Punjab also the High Court has set aside some orders wrongly made. You encourage the officers

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who abuse and misuse the law and reward them for their excesses. If you want the people to respect the laws, you must first make your Magistrates respect the laws. I do not want an inquiry to be made into the past. I am so glad that Mahatma Gandhi has waived his claim for an inquiry into police excesses, but I want the Government to learn a lesson. I have not yet forgotten Sir William Vincent telling me to forget and forgive the past, with regard to the Amritsar tragedy, the Jallianwala Bagh affair and other things. He asked me to withdraw the motions of which I had given notice and I yielded. Having learnt a lesson, I ask you not to repeat your terrorism. That will never pay. I think if you resort to it, you will only be inviting more trouble. It may have a temporary effect, but the lasting effect will be against you. I say it with all the earnestness that I can command, that for every man beaten with a *lathi* there will be at least a 100 who will sympathise with him—not only men but women of respectable families, like the grand daughter of Sir T. Madhava Rao, a very distinguished Indian statesman of high standing. They come forward and say "Beat me". That is the spirit which has been raised among the people. That is due I say deliberately to the way in which the authorities have behaved and the law has been abused. I am not here for reproach or recrimination. I am here to appeal to the Government of India to take the lesson to heart.

Then I come to the question of Indianisation. The Home Member might have taken us into his confidence and told us what progress was being made with this question of Indianisation in which we are all so much interested. Why should not each Department come forward and give a small account of what has been done. I do not want Muhammadanisation, or Hinduisation or Christianisation. We want figures as regards Indianisation. This information we have got to wring out from you by means of questions. If you supply us with this information, much of the trouble will be avoided.

I now turn to my Honourable friend the Finance Member. In his closing Budget speech, referring to me, he said, "My Honourable friend is somewhat unfair in his remarks. As regards the study of economic conditions in its wider sense, it does not fall directly within the scope of my own duties". Then does it fall within the scope of my Honourable friend the Commerce Member or the Member for Education, Health and Lands or the Member for Industries and Labour? It falls on nobody. That is the unfortunate part. Then without that knowledge, how can you adjust your taxation proposals without a knowledge of the earning capacity of the individual and the family, how much he earns, how much he spends and how much you should take up for your taxation purposes. I do not want accurate mathematical calculations, but some approximate calculation which would enable the Government of India to frame their taxation proposals. Now what is their proposal? Their proposal is to increase the tax payable by the lower-grade income-tax assesseees. Sir, as has been very ably pointed out by my friend, Mr. Heathcote, that shows how ignorant they are of the conditions of these people earning salaries under Rs. 5,000. They are thoroughly ignorant of their standard of living, of their requirements. That is the difficulty. We have got model villages, model families. Take them. We do not want perfect accuracy, but let them take these into account before they bring forward their taxation

proposals. Sir, this sort of ignorance ought not to be allowed. Let somebody gather the information, and utilize it not only for your own information, but for our use. Sir, we who live with the people know their condition best. We know that these people cannot bear the burden of additional taxation which you want to impose on them,—and you laugh at it; you think we are only people looking for public appreciation or for the cheap popularity of the people, and in that way you discount us. But what do you do? You work upon guesses which are favourable to the assumption on which you proceed. That sort of thing ought not to be allowed to proceed; I shall make one statement publicly. The Finance Member comes from abroad. He is a stranger to the country. He sits here for the usual period of five years. It takes him three years to understand the situation in the country. By the time he begins to understand the situation, he thinks of going home. Now we thereby do not get the value of people like Sir George Schuster after they have gathered ripe experience? Why, I ask, should he be under the same disability? He is not a service man with 30 years' service in the country who therefore has become sun-burnt. He comes here fresh with his English ideas and vigorous in intellect,—and why should we not have the benefit of his service for a longer period? ("Hear, hear" from the non-official European Benches.) The thing goes on uniformly. In the same way Sir Basil Blackett came here, and then went away, leaving difficult problems for Sir George Schuster. I am here to blame Sir George Schuster, the man, on the spot, but if Sir Basil Blackett had been here, I would have gone for him like a tiger (Laughter) for having induced us to waive the provincial contributions—which I say with all due respect to my Honourable friend, Diwan Bahadur Ramaswami Mudaliar—and also for those debt redemption operations at a time when our credit was as high as possible, and for his currency policy, when people thought he was guiding us properly in respect of currency and exchange. And I ask Sir George Schuster in all seriousness what is his real opinion about currency (Hear, hear), not the Government of India's opinion? (Laughter.) Now, that is my point. I do not want to dabble in that myself, but I want the honest, expert opinion of Sir George Schuster, because we are being flooded with contradictory opinions. My friends who are every day engaging in commerce tell me that the whole country is going to the dogs—and of course I quite agree with you that any disturbances at present will upset our Budget. I am satisfied about that—but how far? I would ask, "Are you allowing the patient to die for fear of immediate operation?" That is the point on which I wish to be satisfied. If you tell me your opinion in private, I shall be satisfied. (Laughter.) Sir, then again I do not think I will trouble the Finance Member much further because, after all, he has got to bear the burden.

Now, I wish to come to the Department of Education, Health and Lands presided over by my friend, Sir Fazl-i-Husain. Sir, my great complaint is that he does not allow provincial autonomy. He wants to hold them tight. Sir, if the Madras Council wants to pass land revenue legislation, he does not permit them to do it. He told me plainly, in answer to my question, that he does not agree to this principle, although the Madras Government are prepared to take up that responsibility. That is a vital question, Sir, for the province. Sir, my province is a *ryotwari* province in which the *ryotwari* settlement prevails. There has been for

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years past the cry of the people that that settlement and the revision processes affect them vitally and prevent their effecting improvements, for, directly they improve the land, the settlement officers pounce upon their profits. There is thus discouragement against our adopting modern methods of cultivation with a view to improving the yielding capacity of the land, and although the settlement period is nominally 30 years, at the end of 25 years the operations begin, so that you may be in time—just as the Simon Commission came in 1928 and 1929; so these settlement operations commence at once long before the actual revision. In fact it is a great burden upon the land-owners and it stands in the way of their reforming the laws of that province. . . .

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain (Member for Education, Health and Lands): Laws relating to land were made by the Local Legislature last year, and the Government of India did not stop them?

Diwan Bahadur T. Rangachariar: I believe the Local Government wanted to legislate on particular lines, but the Government of India stopped them. That is what I think the answer of the Honourable Member to my question in the House indicated. However, that is a matter in respect of which we are all told that it is the Government of India which stand in the way of legislation going forward there.

Then, Sir, I want to know how my countrymen abroad are getting on. The other day I noticed that in the other Chamber a question was put, "How many Indians went to South America from 1900, how many there are in that land, what concessions they are allowed in that land, how they are getting on", and so forth. That was the question,—and what was the answer? I think "Indians Overseas" is a subject in the charge of my Honourable friend, Sir Fazl-i-Husain, as appertaining to the Emigration Branch. But I find, Sir, that Sir Charles Watson, I think, gave the reply; it was he who took it upon himself to give the reply, and he said—I do not know why he took it upon himself being in charge of the Political Department I think—however, he gave the reply, "We have no information (Laughter) as to how many Indians there are in South America". Sir, is that the way in which the Government are interesting themselves in their people abroad? Is that the way to have information about our people abroad? You do not know how many Indians there are in South America? Is that the opinion of the Government of India,—and you come to us to give you supplies to carry on the administration? You profess ignorance of a vital matter like that? (Laughter.) What interest do the English people take in their nationals abroad? How carefully do they inquire into the economic condition of their people, how many people there are in Australia, what their occupations are. Where is the information. I ask, of my Honourable friend, Mr. Bajpai, who is the Director of Public Information here? Why should he not furnish us with this information, instead of giving lectures and writing chapters on the misguided activities of the Indian Legislature, and their other acts of omission and commission. Sir, we do not want such a sort of thing. We want actual information as to the real state of Indians abroad, how they are treated, and so forth, whether they have got equal citizen rights. Why should we not have reports placed on the table before we come

here to the Assembly, in December or January just as we had—in refreshing contrast this year—the information compiled and furnished to us in a very valuable pamphlet by the Director General of Commercial Intelligence showing us the difference in imports and exports of the various commodities. That, Sir, was very useful. Similarly, such information would be very useful, and we should be very thankful for such a performance of their duty by the Government Departments.

Now, again, I should like to ask my Honourable friend, the Industries Member—I am sorry I do not find him here—is there any scheme of technical education abroad? Are there any technical schools started? How is the School of Mines getting on? How are the Indian apprentices getting on? We want to know if the firms which take large Indian contracts have taken Indian apprentices into their mechanical and various other engineering workshops. Have they taken any Indian apprentices? How are they getting on? How many of them are there? Sir, all this information we must have. We must put starred questions or unstarred questions and get the information. We want information about the School of Mines; I know I took a great interest in bringing into existence that School of Mines. We want to know how it has progressed. Is it really imparting useful knowledge to the different students such as would enable them to improve the economic condition of the country and develop the resources of the people? What steps are being taken in that direction? Sir, the huge book called the Budget Demands only gives us the salaries and numbers of establishments, but this sort of information is withheld from us. We want to know how far the contracting firms have abided by the terms on which they have entered into their contracts. I remember distinctly that we insisted from this side of the House that no contract should be given without some undertaking on the part of the contracting firms that they would give every facility and opportunity for Indians to be trained; I should like to know how these things are getting on.

Now, as regards my Honourable friend the Law Member, I should like to know what is the result of his examination as regards the income-tax with reference to Hindu undivided families. I see my Honourable friend, the Law Member, interposed on the last occasion, that when the matter was brought up, he would consider it, but he qualified it by saying, that if some Honourable Member came forward with that proposal. Why should he wait for some-body else to bring forward this proposal? He is equally responsible for this. Why should not the Honourable the Law Member himself have brought forward this proposal? The Honourable Member knows that in July last the Assembly was dissolved. There is another complaint which I have to make with regard to this. Although we came into existence in September of last year, we were not summoned earlier than January of this year. That is another complaint I have to make against the Law Department, and I think my Honourable friend Sir Lancelot Graham is responsible for that. Why were we not summoned earlier?

Sir Lancelot Graham (Secretary, Legislative Department): That is the business of the Governor General.

Diwan Bahadur T. Rangachariar: I know that, Sir; but the Governor General acts on the advice of the Honourable Member. When the Legislative Councils were duly constituted in all parts of the country by the end of September, how is it we were not summoned earlier? Was there no business? You had your Ordinances to issue. How many Ordinances did you issue? Six.

An Honourable Member: Eleven.

Diwan Bahadur T. Rangachariar: Yes; you issued eleven Ordinances. Why ignore us? Why are you waiting for this Assembly to disperse to do something else?

An Honourable Member: What is it?

Diwan Bahadur T. Rangachariar: Burma will tell you. This sort of thing will not do. Take us fully into your confidence, if you want us to share your responsibilities. Do not try to steal behind our back. We should have been summoned earlier. We did not undertake these duties without a due sense of our responsibilities. We would have been delighted to come and assist the Government of India in the matter of enacting these Ordinances, if they were really required. Why suspect us? If you had placed us in full possession of all the information, we would certainly have assisted you. Do not keep us in ignorance of what is going on in the Afridi *jirghas*. Some rumours get across the Indus and we hear all sorts of rumours about the Afridis. I am told the Afridis said to the Chief Commissioner of the North-West Frontier Province, "Look here, you settle with Mr. Gandhi, then and then only we will take our pension". These are the sort of stories that we hear. I do not know how far they are true. After having come here, I hear this sort of thing takes place. Take us fully into your confidence. Do not think you alone are responsible for the government of this country. We want to assist you in governing this country. We want to take the government of the country into our hands. That being so I say this sort of hush-hush policy should be dropped.

Then, as regards the Foreign and Political Department, it is a closed door to us, just like the Army. Not even Indianisation goes on there. Of course, the clerks, the Deputy Secretaries and the Secretaries are all prohibited from having any conversation with any Member of the Legislative Assembly. If any of the members on the staff of the Foreign and Political Department are found conversing with an Honourable Member of this Assembly, it will be construed a misconduct on their part. I do not know if the circular which the Home Department issued some years ago is still in existence. It will be considered a gross breach of the Government Servants' Conduct Rules if any subordinates of the Foreign and Political Department hold communication with Members of the Legislature, and they would be severely reprimanded and otherwise dealt with for such conduct. Therefore, Sir, we do not know what is happening in the Foreign and Political Department. I only find that a sum of 18 lakhs odd is carried on to the non-voted side and the Government merely add a note in one of the statements issued along with the Report of the Public Accounts Committee, saying that in accordance with the wishes expressed by the Public Accounts Committee, they give us the statement. I find under the Foreign and Political Department, a sum of 18 lakhs and odd is transferred to the non-voted side by the Governor General in

Council without any reason. Well, Sir, non-voted items have a tendency to multiply and the Honourable Members will remember, that when they entered the Assembly in 1921, the non-voted items were not so numerous as they are today. If this system of keeping non-voted items should remain, I may assure my Honourable friends that these items would swell gradually and become bigger and bigger.

One word more, by way of adding a proviso to the statement made by my Honourable friend, Mr. Chetty, to my right. I quite agree with him that contractual obligations, as regards pay, should be respected. But he apparently assumed that there was a contractual obligation entered into by the Government of India with their servants that they would be given so much as pay and that the pay was not liable to revision. I do not think there is any such clause even in the covenant of the Indian Civil Servants. But of course it is a matter for legal consideration. It is a matter for legal opinion. But I will only add a proviso to the remarks of Mr. Chetty, that is, "In case there is a binding contract that we should not revise the salary", just as in the case of the Permanent Settlement of Bengal, if that is so, of course, I can quite understand his respecting that contract. But if the contract is, "Having regard to the rise in prices, we can increase or decrease your pay", it is a different matter. If, having regard to the rise in prices, the Government could increase their pay by appointing a Lee Commission, then they can certainly appoint a Low Commission in order to reduce their pay. Why should they not do that? They come to the services with their eyes wide open to this, that the pay depends upon the price of articles and upon their reasonable standard of living. I do not know if my Honourable friends representing the commercial community enter into such invariable contracts with their servants. I think they would revise the salaries just as the standards require. I quite agree that, if there is a contract, we must respect it. If the contract is conditional, and if the Government of India have got the power to revise, I ask them to revise the salaries. My Honourable friend, Mr. Chetty, gives the whole show away, because, having argued that the Government of India have not taken advantage—he quoted chapter and verse for this—that they have not taken advantage of the fall in the index figures of wholesale prices, which he said was from 131 to 101, and having argued that there has not been shown adequate retrenchment, he says that salaries should not be touched. If you retrench allowances alone, I do not think you can save much. Therefore I want that that question should be kept in view, namely, reduction in the salaries, owing to the fall in prices of commodities.

Mr. R. K. Shanmukham Chetty: On a point of personal explanation, Sir, I do not think there is any difference between my point of view and that of Mr. Rangachariar. My point of view also was that, if there was contractual obligation, that ought to be respected.

Diwan Bahadur T. Rangachariar: Only that proviso was needed and so I will not press the point. Therefore, it is a matter which we have to examine with great care. After all, as I said the other day more than 60 per cent. of our revenues go to maintain the establishments in one form or another. If that is so, and if we cannot cut down our expenditure in that direction, there is no use of attempting to appoint a Retrenchment Committee. At least for the future, we must set our houses in order.

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Sir, there is only one word more. I find there was rather undue haste on the part of my Honourable friend Mr. Sams to repudiate the criticisms offered by Mr. Puri behind me. He made some detailed criticisms and suggestions as regards the way in which the Postal Department could be retrenched. But the hurry with which Mr. Sams dealt with the detailed examination in question—I do not know if Mr. Sams was furnished with a copy of the speech beforehand, otherwise I could not understand his readiness to repudiate the suggestion offhand—the hurry with which Mr. Sams repudiated the suggestions is something which should not be allowed in the case of heads of Departments. The tendency of heads of Departments to repudiate constructive suggestions offered by Members of this House is one which is to be deprecated

Mr. J. A. Shillidy (Secretary, Industries and Labour Department): The Honourable Member who delivered that speech was kind enough to give Mr. Sams a copy of his speech beforehand.

Diwan Bahadur T. Rangachariar: Even if he showed a copy of his speech, it was rather a hurried rejection of the constructive suggestions

Mr. J. A. Shillidy: On the contrary I believe the Honourable Member expressed his satisfaction after the convincing explanation that was given him.

Diwan Bahadur T. Rangachariar: It appears to me, Sir, that it was a very constructive criticism which my Honourable friend Mr. Puri offered, and it was the best that I listened to in this House dealing with the Department as a whole, and I had hoped it deserved better treatment at the hands of my Honourable friend, Mr. Sams. I hope and trust that heads of Departments will co-operate with us in examining the constructive criticisms that we offer. After all, it is their work as it is our work. Let us not consider that we belong to different parts of the House. We all belong to one and the same part of the House. We all have one aim in view, that is the good of India. We are all servants of India, some of us paid, and some others unpaid. We are all servants of India. Let us all rise to the occasion, and on an occasion like this, let us put our shoulders together, let us all put our brains together and evolve a constructive policy which will endure for the everlasting good of India. (Applause.)

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.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): Mr. President, I do not know what impression you have formed during the last two days of the discussion that has been going on. But I am afraid, Sir, that if the response that has been made by some Members on the Treasury Benches is an indication of the idea that

they have of the value of the speeches, none of us need feel complimented. The Leader of my Party in this House, Sir Abdur Rahim, got up this morning and occupied the time of the House for nearly half an hour in dealing with the Military Budget, and what was it that we saw on the Treasury Benches? In the first place this House is complimented by the fact that for a grant of over 52 crores, whether made directly or indirectly, there is no person responsible, with intimate knowledge either of the technique or otherwise of the Military Budget, who is a Member of this House and who can reply to our arguments. My Honourable friend, the Army Secretary, is a civilian. He does not pretend to know anything of the technical side of Army affairs and that is the compliment that this House is paid so far as the Army Budget is concerned. We are accused of making criticisms without knowing anything of the Army. This morning even that compliment was not paid us. My Honourable friend, the Leader of the Independent Party, spoke for 30 minutes subjecting the Army Budget to detailed criticism and my Honourable friend, Mr. Young, turned his back on the Assembly and on the speaker. Now, Sir, that is not a fair position. When other Members of the Treasury Benches were being subjected to criticism I noticed the Leader of the House coming in hurrying, I noticed that the Home Member came in hurrying to listen to what had to be said on the subject. Of course we do not expect official Members to be always glued to their seats, but they must at least have this courtesy shown to us, that when any criticism is offered regarding any of their Departments they should come here and listen to that criticism. The Army Budget is different from the civil Budget. The Army Budget is beyond the scope of the House. So whoever represents the Army Department is much superior to even an Executive Council Member of the Government or the Leader of the House. Sir, that is an indication of how the responsibility of this Government of India is shown to this Legislature and to the public; and I venture to record my emphatic protest against the grossly discourteous and unseemly manner in which those who are responsible for running the Army Department are treating this House. Sir, it is not my intention to lose my temper on this occasion; I very nearly was losing it, and if you only had called upon me to speak soon after my friend, Sir Abdur Rahim, had finished, I cannot say that I would not have used unparliamentary language. Sir, I hope that this way of treating the House will not be continued any longer. We are grossly dissatisfied with the fact that in the first place there is no responsible gentleman representing the Army who can speak with authority on Army matters in this House. There are reasons, I am told, historic reasons, why that is the case. I do not want to go into that; I do not want to examine the justification of those historic reasons. I do not even want to question whether those historic reasons are applicable today to this new Assembly. But, Sir, I must put my protest on record at the way in which this House is being treated, by no responsible person who can authoritatively speak on Army subjects being nominated to this House, and secondly, by even the irresponsible Army Secretary not doing us the courtesy of being present when prominent Leaders in the House discuss these questions. I must put my emphatic protest against this.

Sir, let me turn to the Finance Bill proper. My Honourable friend, the Finance Member, has had criticism from almost every side of the

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House. There was no Member who had a good word to say about the Finance Member's Budget save one. I congratulate the Honourable the Finance Member on the very able support that he has been able to get from the distinguished representative of the Bombay Northern Constituency. I congratulate him on the lucidity, clearness, forcibleness and elegance with which that support was extended to him through the speech of my Honourable friend. I congratulate him further on the many constructive suggestions that my Honourable friend has made to help the Finance Member out of the morass in which he finds himself. When the Honourable Member wants to meet the deficits in connection with his Budget, if he wants constructive suggestions from this side of the House as to how he should get this Taxation Bill through or if he wants alternative constructive suggestions as to how he can avoid the taxation proposals in balancing the Budget, there is my friend from Northern Bombay who comes forward and says, "Plump for the unitary government".

Mr. N. N. Anklesaria (Bombay Northern Division: Non-Muhammadan Rural): Sir, I protest against this levity being exhibited in this House.

Mr. President: The Honourable Member does not seem to appreciate the element of humour in public debates. (Laughter.)

Diwan Bahadur A. Ramaswami Mudaliar: If my Honourable friend, the Finance Member, wants constructive suggestions, there is the most constructive suggestion that has so far been offered on the floor of this House by my Honourable friend to balance his Budget, plump in for the unitary system of government and do not go in for the federal system. Sir, I do not want to deal at greater length with the speech of the Honourable Member. He is perhaps new to democratic assemblies and Parliamentary ways, but I trust—I speak with great humility and with no sense of disrespect towards him—I trust that in course of time he will remember that it is a most dangerous pastime to indulge in casting reflections on colleagues of his in this House.

Sir, let me at once go to the Finance Bill itself. The last time I spoke I dealt with the Army Budget. Today I shall try to deal with the civil Budget which the Honourable the Finance Member has presented to us. My Honourable friend made out a strong case that there is no room for retrenchment whatsoever, that they had got to the rock bottom and that a retrenchment committee can only satisfy itself that everything had been done by the Government that could be and ought to have been done. "Our search for economy", says the Finance Member, "has been absolutely studious, and every phase of the civil Budget has been examined and there is no part of that Budget which can be subjected to further cuts of any kind". On the last occasion, my Honourable friend thought that I was not being fair in quoting extracts from the Public Accounts Committee's Report and, as he put it, I painted the picture black. I do not know how the picture will ultimately emerge after I have finished my speech today. But I shall not resort to the Public Accounts Committee's Report, but shall go through only two or three casual documents that have come into my hands, documents which I trust the Finance Member will not repudiate. I shall refer to the Gazette of India, the most authoritative publicity

document of the Government of India, during the last three weeks alone, because I do not want to rummage past files of that Gazette. I shall try to put before the House what sort of search for economy is being carried on by the Government of India and by my friend, the Finance Member.

Let me take you through the Gazette of India which has last come into our hands—dated the 14th March. It opens with a notification under the Home Department (Establishments) and it gives a set of rules promulgated by the Secretary of State for India in Council regarding the pay of officers of the Stores Department of State Railways. The point of this rule, so far as I have been able to make out is that this scale of pay is made applicable to the Burma Railway which has recently been taken over by the State. At a time when my Honourable friend wants to revise the rates of pay of future entrants, at a time when my Honourable friend is convinced, as we are on this side of the House, that whatever obligation there might have been with respect to Government servants who have already entered service and with whom we have made contractual relations, when my Honourable friend feels that with reference to further recruitment there ought to be a new policy, at that time the Gazette of India notification says that rates of pay which have been prescribed for other railways automatically apply to the servants of the Burma Railway also. Sir, I shall not labour that point further.

Let me go to a further note which is to be found in this notification. I admit that I am not thoroughly familiar with the Civil Service Rules, with the regulations and with the leave of absence rules and all the rest of that jargon that Government servants are so thoroughly familiar with whenever they want to get the maximum advantage of these rules. I admit at once that I have perused these rules and tried to reinforce myself by perusing these and other rules merely as a layman. Let me come to the next notification which runs as follows:

"The following scale of pay shall apply to the post of Superintendent, Printing and Stationery, North Western Railway with effect from the 31st May, 1921:

1st year—so much

2nd year—so much, etc.

plus so much overseas pay."

If you compare it with the last rule which is to be found in the Civil Service Regulations, you will find that practically the same scale of pay is fixed, but with effect from the 1st August, 1928. Now, at a time when prices are falling, at a time when the Finance Member is making his search for economy, a notification comes in giving retrospective effect to this scale of pay from May 1924. I do not think that any profound knowledge of financial securities is required to understand that if the officer from the first had a scale from the 1st August, 1928, and that is revised to give him retrospective effect from the 1st May, 1924, the result will be a little more money into his pocket and a little less money in the pocket of the Finance Member of the Government of India.

The Honourable Sir George Schuster (Finance Member): Could my Honourable friend tell me what he is referring to? I think he said it was some railway. Which railway?

Diwan Bahadur A. Ramaswami Mudaliar: I thought I read it; the North Western Railway.

The Honourable Sir George Schuster: I did not catch what my Honourable friend said.

Diwan Bahadur A. Ramaswami Mudaliar: If my Honourable friend will refer to the Civil Service Rules, he will find that the last notification said that this scale was to be given to the Superintendent with effect from the 1st August, 1928, whereas this notification says it will have effect from the 31st May, 1924. That is to say, while my friend is pursuing his economic methods, using his pruning knife, this notification comes forward and says that this particular person will have some larger pay than he was drawing during the last year at this time,—an illustration of the unexampled search for economy which the Government of India are pursuing.

Let me come to another illustration. I have tried to take it only from recent Gazettes of India and have not dived in to the past history for a very long period. At another page a notification is published, which says:

"In exercise of the power conferred by the Civil Service Rules the Governor General in Council is pleased to make the following amendment in the Fundamental Rules, namely:

In Rule 93 of the said Rules, the words 'on average pay' and the words 'during the first four months of his leave' shall be omitted."

It is very difficult to understand these notifications without a detailed reference to the old Fundamental Rules and to the changes subsequently made. Let me explain to the House quite briefly what this change means. According to the old rule, passed only in 1924, after the Lee Commission's Report, compensatory allowance is given to officers on leave, provided they are on leave on average pay and for the first four months of their leave. Now, this notification extends that privilege to all officers whether they are on leave on average pay or not and to the full period of their leave and not merely to the four months' period: an illustration again of the unexampled manner in which the search for economy is unremittingly pursued by the Government of India.

Let me take you to another notification in the Gazette of India of the 7th March—a notification of the Home Department: it says:

"In exercise of the powers conferred by sub-section (2) of section 96B of the Government of India Act, the Secretary of State with the concurrence of a majority of votes at a meeting of the Council of India, hereby makes the following amendment:

"In . . . section (b) after the entry relating to Bombay and before the entries relating to the Foreign and Political Department Secretariat of the Government of India, the following shall be inserted, namely:

Vice-Consul, Kashgar: 150—with effect from 8th November, 1930."

This is an additional allowance given to the Vice-Consul at a time again when my friend has admitted that prices have fallen down, when he is thinking of revising salaries of staff. At such a time my friend, the Vice-Consul of Kashgar, gets an additional sum of Rs. 150—another illustration again of the unexampled search for economy that the Finance Member is pursuing.

Let me take another notification in the same Gazette:

"The following pay shall attach to the post of Director of Inspection, Indian Stores Department:

Pay Rs. 2,250—100—2,750 per mensem

Overseas Pay £13-6-8 per mensem,

while held by Mr. D. Cardew."

I have no idea who Mr. Cardew is: for aught I know he is a very eminent officer thoroughly fit for the post; but I venture to protest against these additions being made . . .

Mr. J. A. Shillidy: There was no addition made: he got merely the same pay as he was getting in the other post; he got his overseas pay as he got elsewhere under the Railway Department.

Diwan Bahadur A. Ramaswami Mudaliar: Then, why on earth did you transfer him from the Railway Department and give him higher pay in this Department?

Mr. J. A. Shillidy: Because we thought that he was the best man suited for that particular post.

Diwan Bahadur A. Ramaswami Mudaliar: Why did you transfer him from the Railway to this Department if you had to pay this additional sum for taking up this work? This post might have been held by a man on a lower salary; it was held by a man on a lower salary till Mr. Cardew came; and Mr. Cardew comes to this place and gets this additional salary, and the gentleman who has taken the place of Mr. Cardew will also get the old salary of Mr. Cardew. That is what I am protesting against.

Mr. J. A. Shillidy: I am not aware of that at all.

Mr. R. K. Shanmukham Chetty: Are you aware of the contrary?

Diwan Bahadur A. Ramaswami Mudaliar: My friend, the Deputy President, has taken the words out of my mouth: are you aware of the contrary? I have no doubt whatever that the effect of this notification is to increase the expenditure. Now, I should like to come to another notification. Take the previous Gazette of February 28th—the Bengali Pilot Service, Deputy Port Officer, Pilotage, Calcutta. Here I may say that I spent four hours in hunting up the details of this appointment, and I could not find any. Under what name it is given in this Budget, I am not aware. And I must pay a compliment to the Honourable the Finance Member or rather to his department for the exceedingly able manner in which they prepare the Budget. Sir, the veil in Egypt has been described, —I say with due chivalry,—the veil in Egypt has been described as something which more reveals than conceals. So far as the Finance Department is concerned, the Budget is something which more conceals than reveals the operations of the Departments of the Government of India. Wade through this book as much as you like, peruse it from cover to cover, howsoever much you like, and you will find yourself absolutely at sea, no matter how much experience you might have had in dealing with past Budgets of other provinces to find out exactly where the staff is shown, what are the salaries given to each of the staff and so on. The italics are sometimes below and sometimes above. What those italics are I do not know, but I take it that the italics shown against the staff refers to servants who are appointed by the Secretary of State and who draw non-voted salaries. Various allowances are given, and sometimes they are shown as voted and sometimes as non-voted. But, Sir, to come back to this illustration again, this officer appointed to the Bengal Pilot Service draws special pay and overseas pay—an illustration again of the unexampled search for economy which the Government of India is pursuing in these very critical days.

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Lastly, Sir, I should like to take this House through a very interesting notification published in the Gazette of India, dated the 14th of March. To appreciate that notification I would ask the House to bear with me while I read the whole of it:

"The following Resolution made by the Secretary of State for India in Council is published for general information :

'In exercise of the powers conferred by sub-section (5) of section 86 of the Government of India Act, the Secretary of State for India in Council with the concurrence of a majority of votes at a meeting of the Council of India held this 10th day of February, 1931, hereby makes the following amendment to the Leave of Absence (Allowances) Rules, dated October 15th, 1924, namely :

At the end of Rule 2 of the said Rules, the following shall be inserted with effect from the 3rd November, 1930, namely :

Provided that it shall be lawful for the Secretary of State in Council, for special reasons to be recorded, to increase the leave allowances prescribed for a Governor in the Schedule to such amount not exceeding Rs. 5,500 a month as appears to him just and equitable."

I might explain to the House that under the existing Leave of Absence (Allowance) Rules, before this notification was made, the leave allowance of a Governor was fixed at Rs. 4,000 a month. This provision for leave to Governors is a very recent innovation. We never heard of Governors and Viceroy leaving the shores of this country before their term of 5 years was over. During the last few years this innovation has been introduced permitting Governors and Viceroy to take four months' leave, and at that time Rs. 4,000 was considered ample for the Governors of major provinces while they were absent on leave in England. Now at a time when a great crisis is staring the Government of India and the Honourable the Finance Member in the face with reference to the finances of the country, when prices have fallen, when this unexampled search for economy is being made by my Honourable friend, the Finance Member, the great Moghul at Whitehall, as he has been termed,—and I do not cast any reflections on the Moghuls that ever sat at Delhi—the Great Moghul at Whitehall, surrounded by his harem of India Council Members sitting in solemn conclave, passes this Resolution giving an increase to Governors while on leave in England from Rs. 4,000 to Rs. 5,500. And, Sir, mark the words—"It shall be lawful for the Secretary of State for India in Council to increase the allowance from Rs. 4,000 to Rs. 5,500". That is to say, the Secretary of State and the India Council sit together and decide for themselves what shall be lawful for them to do,—not even a case of appealing from Phillip drunk to Phillip sober. (Laughter.) These are a few instances picked up at random from the last three issues of the Gazette to show how unremittingly in an unexampled manner the search for economy is being pursued by the Honourable the Finance Member and his colleagues who are associated with him on the Treasury Benches.

Sir, I should like to refer to one last notification for which, I believe, the Honourable the Finance Member is directly responsible. I understand that he is directly in charge of the Income-tax Department. I do not know if I am wrong. Now, Sir, in the issue of March 14th, a notification appears regarding this income-tax. This House has heard that the assets of the

Indo-European Telegraph Company have been sold, but to this day this House does not know what the details of that transaction are. Here I may venture to raise my protest against the Explanatory Memorandum of the Finance Secretary, which explains nothing. I am accustomed to read Explanatory Memoranda of Finance Secretaries in Provincial Governments. They are bulky volumes. They contain not merely statistics and figures, but they give a history of the operations of the Government in various Departments; they tell you the history of any particular Department, how it has grown, why a need has arisen for additional staff or for a reduction here or a retrenchment elsewhere. They take particular schemes of the Government and tell you how they are progressing and what the progress is likely to be in the coming year. Now, I ask you, Sir, as the custodian of our liberties in this House, to tell us whether after reading this Explanatory Memorandum, you are better off than before reading it. This Indo-European Telegraph Company's transactions are still a sealed book to Members of this House. We have heard nothing about the transactions of this company except a bare statement that it was a losing concern, and my Honourable friend has thought fit not to tell us or give a statement as to what it cost and how it was sold. We have not been told, for instance, what became of the staff of the Indo-European Telegraph Company. Was that staff maintained by the Government? Of course, it was. Has it been transferred over to the new company? We have no information. But this notification gives us some indication,—I may be very wrong, I know I am treading on very thin ice in these matters because of my want of knowledge, I may be very wrong,—but I gather from this notification that a part of the staff has been asked to go home and gratuities have been given to them, and my Honourable friend, the Finance Member, comes forward and says,—a very generous gentleman and kind-hearted to those people, as indeed he is to all people—the Finance Member comes forward and says this:

"In exercise of the powers conferred by section 60 of the Indian Income-tax Act, 1922 (XI of 1922), the Governor General in Council is pleased to direct that the following further amendment shall be made in the notification of the Government of India in the Finance Department No. , etc.

'13B. Gratuities granted to the staff of the Indo-European Telegraph Department in pursuance of the Resolution of the Secretary of State for India in Council dated the 24th June, 1930'."

I should like here to explain to the House that under section 60 of the Indian Income-tax Act the Governor General in Council has power to exempt various classes of people from the payment of income-tax,—

"The Governor General in Council may by notification in the Gazette of India make an exemption, reduction in rate or other modification in respect of income-tax in favour of any class of income or in regard to the whole or any part of the income of any class of persons",—

and my friend, the Honourable the Finance Member, quite properly thought that gratuities given to the staff ought to be exempt from income-tax. Where is that kind-heartedness when you come forward and double the income-tax so far as all the rest are concerned? The Honourable the Finance Member says that the civil servants cannot be asked to retrench their salary, but at the same time they should be asked to accept some share of the deficit. Therefore, it is a very just thing he has done in trying to raise the income-tax on the civil servants. But what about the

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gratuities to the extent of nearly five lakhs that are going to be paid to the staff of the Indo-European Telegraph Department for which you have gone out of your way by issuing a special notification just at the present time to exempt them from the operation of the Indian Income-tax Act altogether? On the other hand, if the Honourable the Finance Member had only examined the exemptions under the Indian Income-tax Act, section 60, he would have found the necessity of revising some of these notifications, and at this period of crisis, bringing into the operation of the Act some of the classes of persons who have so far been exempted from the Indian income-tax.

The Honourable Sir George Schuster: I do not want to interrupt the Honourable Member, but I think he will realise that it will be impossible for me to deal with all these points in detail in my reply. I do suggest that he is misleading the House on this particular issue. As I understand the position—I have not had time to verify the details—but as I understand the position, when the Indo-European Telegraph Department was sold, it was necessary to pay some sort of compensation to the employees who lost their employment, and if we were to pay compensation—on a fair basis—with one hand, and then take part of it away with the other hand in the form of income-tax, I think my Honourable friend will recognise that that would not have been a very reasonable transaction. If the payments had been made liable to income-tax, all that would have happened would have been that there would have had to be an increase in the amount of compensation. I take it that that is the position. I suggest to my Honourable friend that it is not fair to quote this as an instance of extravagance in Government administration. This was the winding up of an undertaking, the sale of which I am prepared to tell him—the credit is not mine, but it belongs to the Honourable Member in charge of Industries and Labour—was a most profitable transaction for the Government, because they realised a large sum in cash and got rid of a losing undertaking. (Cheers from the Treasury Benches.)

Diwan Bahadur A. Ramaswami Mudaliar: Sir, I do not envy the Honourable the Finance Member the cheer that he has been able to get from the back benchers in the Treasury Bench. I honestly hope that they will cheer Honourable Members on the Treasury Bench more often than they have been doing in the past. I may say that we do not expect to hear the Honourable the Finance Member in reply in regard to many of the points that we have made with reference to the Government. It has been our lot to make these representations time after time, and it has been our expectation not to get replies from the Honourable Members of the Treasury Bench. With reference to this particular matter, the Honourable the Finance Member has suggested that it would be taking away with one hand what we give with the other. I do not know the details of these things, or the technicalities, but I take it that gratuities are generally based on a certain number of years of service and pay, and it is a well understood rule which applies to most Departments, where gratuities are paid. I therefore think that you have gone out of your way to exempt them and that there is no question of taking away with one hand what you have given with the other. While I am on this point, may I suggest to my Honourable friend that at least in issuing this notification his attention must have been drawn to section 60 of the Indian Income-tax Act? Did

he then notice the numerous exemptions that were granted under this Act, and when he has come forward with fresh proposals for additional income-tax to the extent of almost cent per cent, did it strike him that the list of these exemptions could to a certain extent be revised? My Honourable friend is bringing forward a Bill whereby incomes that are made in foreign countries ought to be taxed. Many of us are going to support him in that Bill. I know that the Honourable the Finance Member is very enthusiastic about it. Did he in this connection think whether it was proper at this time of the year, and at least for the next year, to withdraw the exemption, for instance, of salaries which vacation Judges of the High Court draw in England,—the extent to which they are exempted from payment of Indian income-tax? Did he consider that possibility? The vacation Judges of the High Court, who go to England during the vacation, get their salaries there and those salaries for that period are exempt from the Indian income-tax. I do not say that it makes a very great difference in these Rs. 17 crores of loss that we have to meet. Was it not possible that the Honourable the Finance Member might have suggested that at least for the next year that particular exemption might be withdrawn so that the Honourable Judges of the High Court may also pay along with others on the income which is now escaping taxation, the income that they draw during their vacation in England, and especially, as I have said, when he is thinking of charging with income-tax income which is made elsewhere than in this country?

Now, Sir, I do not think I need elaborate this point very much more. We are not satisfied that there is any genuine attempt whatsoever to pursue economy of any kind so far as the civil Budget is concerned. Not merely that, but we feel that in several directions there is a distinct tendency the other way. My Honourable friend spoke of allowances being reduced and took credit for the fact that there was a searching economy being made and also ruthless reduction. Will my Honourable friend say that during the last six months no additions have been made to the kind of allowances that officers draw? What is the good of asking us to accept all that is stated from the Treasury Bench as regards your trial for economy when we can, as a matter of fact, lay our hands here, there and elsewhere and point out that additional allowances which were not paid in the last year are going to be paid in the coming year? Is that the sort of economy that you want us to be satisfied with? Take, again, the way in which the voted and non-voted expenditure is being treated. My Honourable friend, Mr. B. Das, whom I miss here this afternoon. . . (Mr. B. Das: "I am here")—I am very thankful that Mr. Das is here to reinforce me with his personal presence and to encourage me to make these observations—my Honourable friend, Mr. Das, referred to the increase in the non-voted items of expenditure. How it is that this item of non-voted expenditure is continuously mounting up I cannot say. I am not able to derive much assistance from a perusal of the Budget. What is this increase in the non-voted item of expenditure due to? My Honourable friend at the close of his speech on the last occasion said that he must ask me to withdraw any aspersion that I had made that the dirty work was going to be left to the coming Government. I carefully perused that speech, and I find nowhere the suggestion, or anything even remotely resembling that suggestion, in that speech. But I want my Honourable friend carefully to follow me in this regard. What is the meaning, at this particular time when constitutional developments are in the air, of non-voted items of

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Sir, it might be suggested that these are all trivial sums and that I have been wasting the time of the House by referring to these trivial sums. I do not want to indulge in platitudes about taking care of the pence and the pounds taking care of themselves. I do not want even to refer to Gladstonian ideas of finance and the meticulous care with which details of finance were being taken care of by that great Chancellor of the Exchequer of England. I shall quote the authority of one—whose authority will not be questioned by this House at all. He said:

"We feel that at this juncture our primary duty is to stop up the hundreds of loopholes through which money is apt to leak when we are in times of prosperity. We hope that the reduction in expenditure will come not from half a dozen large items but from an immense accumulation of small items, the aggregate of which may be very substantial. This is an aspect of the case to which I specially desire to invite the attention of the House."

Sir, I like the ring of sincerity of those sentences. My Honourable friends ask from whom it comes. It comes from an authority whom nobody can question in this House—the very Leader of the House, my Honourable friend, Sir George Rainy. It is from that point of view, and in pursuance of that very sound advice, that the Leader of the House gave us, that I have been following the small items through the ramifications and the labyrinths of the budget that the Honourable the Finance Member has presented to us. Sir, what happens if we do carry out retrenchment. The other day my Honourable friends carried out a cut of a lakh of rupees in the Railway Budget. Will my friend, the Railway Member, explain to us how this cut is being given effect to? I see everywhere moanings and wailings of the *chaprasis* and clerks disbanded. The axe is falling on the small man. Notices have been served on small clerks to go home and the sedulous propaganda is being carried on that this inhuman House, this Legislative Assembly, is making it impossible for the Government to entertain all these petty clerks whom they were entertaining before. That is not the economy which this House wants. We want root and branch economy. We want you to go much deeper. We do not want you merely to cut off a few *chaprasis* and a few clerks. We have protested in the past, and we protest today and we say that if this is the sort of economy that you are carrying out, you are absolutely misinterpreting deliberately the intention of this House.

Sir, there is one part of the Budget which is very rarely discussed by Honourable Members in this House. So far as the voting on Demands is concerned, we never reach that portion of the Budget at all, and so far as the references to it are concerned, very few Honourable Members are in a position to refer to it. I refer to capital expenditure. My Honourable friend, the Finance Member, has had very little opportunity of answering any criticism with reference to capital expenditure, and after all it is with reference to capital expenditure that I say that not merely are there small loopholes but very big loopholes indeed, that there is an extravagance which will surprise any government and which will surprise the Finance Member if he cares to go into this question. Let me take one example—the Vizagapatam Harbour. I come from the province of Madras. I am very happy that that harbour is being constructed, and I hope that it will communicate with Central India and open out traffic that will make commerce and industry flourish in the remote central parts of India. Now, I ask my friend a very simple question. Does he think that the Vizagapatam Harbour expenditure is a productive concern? Does he hope that the

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interest that he is paying to the London market for borrowing his loan will be realised from the Vizagapatam Harbour construction? Who estimated for the harbour? What means have the Government of India to check these estimates. We know the public works estimates in the Local Governments. We know that one of the commonest things in the Public Works Department is estimates, revised estimates, further revised estimates and final estimates, revised final estimates and supplementary estimates. It has been the case with reference to Delhi itself. My Honourable friend the other day was telling us that it was estimated that it would cost only 5 or 6 crores and we know that it has gone up to 15 crores and still the expenditure is growing. It has been equally so with reference to the Vizagapatam Harbour. Now, let me assure my Honourable friend, the Finance Member, that if he cares to go into this question to find out how the money has been expended, he will find such a lot of information that he will certainly come to the conclusion that all is not well with reference to that harbour. He will find that three years ago lands were bought by the Government at about 10 times or 6 times the price that the Government gave for lands adjacent to it just a year or a year and a half back. He will find that one set of land acquisition officers gave this land at a certain value and another set acquired it for one-sixth or one-seventh of that value. And is my Honourable friend satisfied that the necessary and only the necessary land has been acquired for the harbour? I hear statements that land out of all proportion to requirements has been acquired. The Members of the House have not got the time to go into it. The details of the estimates are not placed before us. Crores of rupees are found only in one printed page of the Budget estimates and there is no attempt made whatsoever to see that these estimates are accurate or that these estimates are not extravagant and so with reference to many other capital works. Sir, I do not want to prolong this debate.

Sir Hugh Cocke (Bombay: European): Hear, hear.

Diwan Bahadur A. Ramaswami Mudaliar: I shall come immediately to the Finance Bill. Now, Sir, the Honourable the Finance Member has asked us to vote 15 crores of additional taxation. My Honourable friends, the European Members, seem to be rather impatient to go home.

Sir Hugh Cocke: We want to speak.

Diwan Bahadur A. Ramaswami Mudaliar: I am very thankful to my Honourable friend. I am sure that the House will sit till 7 or 8 o'clock to hear my Honourable friend, Sir Hugh Cocke. I can assure him that so far as the non-official benches are concerned, we will preserve the quorum and even if the Treasury Benches go away, my Honourable friend, Sir Hugh Cocke, can speak, because the effect will be just the same whether they are here or not.

Now, Sir, what is it that the Finance Member is asking us to do? He asks us to vote for this additional tax. I say that this is a phenomenal amount of taxation, that no Legislative Assembly during the last 11 years has been asked to vote for such a heavy amount of direct taxation. I have got the figures for the last 10 years, and I say it is an unprecedented amount of taxation that the Honourable the Finance Member is asking us to vote, and is it justified? I ask my friend to realise that, though he

has heard very little criticism about Customs, it is not because many of us do not realize the extreme gravity to the consumer of the heavy Customs duties which he has sought to impose. I do not want him to think—and I speak personally for myself and I know I am also speaking for some other Members at least in this House—I do not want the Finance Member to believe that the whole of India is a protectionist country, and that every addition that he makes to the Customs duties is a welcome addition from our point of view. I know the Customs duties have played a large part, I know that the protective duties have played a large part in this country, mainly due as much to political as to economic conditions; and when the Government changes, and when others are sitting on the Treasury Benches, I venture to express the opinion that there will be very much more realistic fights between the free traders and the protectionists in this country than there have been in the past. (Hear, hear.) Therefore, when we are accepting the Schedule of the Customs duties—and I take it we generally accept it because no Member has ventured to criticize that—it is not because we are all protectionists, but because from a sense of responsibility we believe that the Government should be found adequate revenues to meet their heavy duties. (Hear, hear.) It is that sense of responsibility, and not a desire to turn the country into an extremely protectionist country, not a desire to pander to a few millionaires of Bombay and Ahmedabad, who know how to trim their sails to the prevailing winds (Hear, hear), it is not from that desire at all that we are accepting the Customs proposals. But when I come to the income-tax proposals on the other hand, they are so grave, so unprecedented that no responsible Member of the House can venture to accept them either in their entirety or without very substantial modifications.

Mr. N. M. Joshi (Nominated Non-Official): If you accept the proposals for Customs, why do you not accept the proposals for income-tax?

Diwan Bahadur A. Ramaswami Mudaliar: Sir, I do not want to be drawn into a discussion with my friend, the Labour representative, as several of my Honourable friends are anxious to speak and it will take a very great time indeed to meet his point. (*An Honourable Member*: "Go on.") Now, I should like to make one appeal to my Honourable friend, the Finance Member. We have placed all our cards on the table. We have opened out our hearts to him. We have told him exactly our difficulties. We have told him that the country is not satisfied that retrenchment has actually been carried out. We have told him that the expenditure on the civil side is so great that every non-official feels that no serious attempt has been made to curtail it and thus to satisfy our legitimate demand. We have told him that the expenditure on the Army side is so extravagant that no Government which has any feeling of responsibility can have ever tolerated it. Now I want the Honourable the Finance Member and generally the Members on the Treasury Benches to realize our position. Sir, if I might say so, without offence to any quarter, we are peculiarly constituted on this side of the House today. We are supposed to be the more moderate and the more responsible element. We are supposed to be people who try to weigh the pros and cons of a thing, and who try to meet Government as fairly as possible with reference to their very onerous task.

Mualvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Self-praise is no recommendation.

Diwan Bahadur A. Ramaswami Mudaliar: If my Honourable friend will follow me, he will find that it is just the reverse that I am indulging in. Sir, are you doing justice to us? Are you doing justice to the forces which want moderation to prevail in this country when you come forward with proposals like this and ask us to accept them *in toto*? We have had no reply at all, Sir, to the various questions that have been put by us to the Treasury Benches. Sir, "we ask and ask, but thou smilest and art still". The Treasury Benches give us no indication of how their minds are working. For three days Member after Member has got up and spoken, and none either on the Front Benches or behind care to intervene in the debate at all or care to express any opinion on the various arguments that have been raised, and at the end of it all, the Finance Member will get up and say that he has tried his best to make the House realize the gravity of the situation and it is for them to do what they as responsible men should do. Sir, that is not a fair position, I submit. With every sense of responsibility, and with every desire to see that we also do our share in the constructive work of the Government, we find that there is no response whatsoever from the other side. The tables have to be reversed. We take you into our confidence, but you do not take us into your confidence. We try to be responsible, but you are as irresponsible as ever, and my Honourable friends have this feeling that somewhere or other they have got reserve powers up their sleeves which they can use if occasion requires, and it is that which gives them that feeling of confidence with which all our criticisms are met or are ignored. Sir, that is not a fair way of dealing with us, and that will not be helpful to them either for a very much longer period. I may here remark that occasionally when my Honourable friend, the Finance Member, who has been sitting through all these debates for these three days, feels that this criticism is getting beyond what he is prepared to accept, my Honourable friend just walks across the courtyard there, goes to another place and relieves his feelings. (Laughter.) Sir, I have read the Honourable Member's speech in the Council of State, and the compliment that he has showered on elderly statesman. (Hear, hear.) Sir, I was an elderly statesman only the other day; I was also a Member of the Council of State.

An Honourable Member: What a degradation!

Diwan Bahadur A. Ramaswami Mudaliar: Sir, if the alternative were placed before me of being His Majesty's guest or of being in the other place as at present constituted, I would rather be His Majesty's guest. (Laughter.) Sir, I suggest that it is not helpful to us at all if this kind of attitude is pursued.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): I should like to know, Sir, if Diwan Bahadur A. Ramaswami Mudaliar was His Majesty's in St. James's Palace?

Diwan Bahadur A. Ramaswami Mudaliar: No, Sir, I was a guest of His Majesty's Government. Now, Sir, I would like to take up the receipt side of the Finance Member's Budget. That has not got the consideration that it deserved in this House, and I venture to suggest to the Finance Member that the time has come when he should revise his receipt side of the Budget. I know that he prepared it in times of gloom

and on very black days, when he was feeling that trade could not possibly revive, when there was a feeling that the future was dark. I am sure, however, he will agree with me that at this time of the day there is every reason why he should revise the receipt side of his Budget. As it is, Sir,—and I have not got the assistance that my friend, the Finance Member, has got—as it is, I venture to state that the revenue is underestimated; and if you take into account the prospects of growing trade, the prospects of larger imports and exports, I venture to suggest to him that he will have to revise his budget to the tune of at least 2 crores more on the revenue side if he is to be fairly accurate in his figures. I can only make this statement, and my Honourable friend, the Finance Member, with all his authority, I am sure, will say that his revenue is underestimated. There will be nothing before March next, however, which can show whether I am right or my Honourable friend. But I want him to consider very seriously whether he would not be justified in budgeting for larger receipts, especially under Customs, than he has done. Now, Sir, I do not want to take up the time of the House. I would only suggest that our attitude with reference to the Finance Bill is a responsible attitude, and that merely characterising our attitude as irresponsible would not save the situation, and that with a full sense of responsibility, with every desire to help the Government, and in consideration of the difficulties in which the Government are placed today, we are going to adopt our course with reference to that Bill. (Loud Applause.)

Sir Hugh Cocke: Sir, the other day we had a very interesting, a very able and straightforward speech from the Honourable Member who spoke last, on the subject of the Round Table Conference—a subject which was peculiarly his own—but it did strike me today, Sir, that in the realm of finance, he was somewhat out of his depth, and that it would have been possible for him to put forward the points he did in a very much smaller compass. He made criticisms early in his speech on two points in connection with the Army Secretary and he incidentally said that had he been unfortunate enough, Sir, to catch your eye earlier, his language would have been so much the stronger for, he said, the Army Secretary had been absent during a speech criticising the Army. He also said that it was not to be expected that every Member of the Government should remain in their seats the whole time. That, of course, is obvious, but I do think that if Honourable Members on the Front Opposition Bench are going to make speeches in a long rambling discussion of this sort upon particular subjects, such as the Army, the Post Office and so on, it is only common courtesy that they should inform the Members of the Government of such an intention. On the other point, in another breath, he said, it was no good having the Army Secretary here, because he could not answer technical questions on military policy and so on. That, of course, is perfectly true, but it is also true practically of every legislature in the world and therefore, I do not think that that criticism was altogether apt. It is obvious that a civilian has got to defend the Army and the expenditure on the Army whenever these questions come before legislatures. When you are discussing the Audit Department, you do not expect to have the Auditor General to reply to your criticisms, or when you are discussing the Public Works Department, you do not expect the Chief Engineer . . .

Maulvi Muhammad Yakub: Why not?

Sir Hugh Cocke: Because, it is not in accordance with custom.

Maulvi Muhammad Yakub: Here we had Mr. Hayman, for eight days, when the Railway Budget was under discussion. In the same way why not other heads of Departments?

Mr. B. Das: Mr. Hayman came here and not Mr. Russell.

Sir Hugh Cocke: I shall continue after Honourable Members have finished their speeches. Well, Sir, there was a reference this morning to retrenchment. I do not want to add to the remarks that have been made under that head beyond saying that the small committees which we have been promised on the various Departments are the only effective committees likely to be of use to the House, and, at any rate, although some Honourable Members may be distinctly doubtful whether very much is going to result therefrom, whether there will be a large saving of rupees now or success achieved in effecting future retrenchment from those committees, at any rate, it is another step towards the Honourable Members of this House getting in closer touch with Government Departments.

This morning, Mr. Chetty, referred to the Reserve Bank. In fact that was one of two suggestions made today which attracted my notice; the one suggestion was about the Reserve Bank, that early legislation should be introduced and if possible the Reserve Bank should be created this year. The other important suggestion came from the Leader of the Opposition, and was to the effect that the Honourable the Finance Member's contract should be extended by ten or fifteen years and that he should be placed at the disposal of the country for a much longer period. Both these suggestions, I welcome. As regards the Reserve Bank Bill, I was surprised to hear the suggestion made that that Bill should be resuscitated and introduced again at an early date. But, if it is practical politics, I for my part, should be very glad to see it re-introduced and discussed. The whole question is whether it is practical politics today to establish a Reserve Bank. But it was very satisfactory to note that Mr. Chetty was willing to give up that indirect control by the Legislature which caused the old Bill to fall. I think Pandit Madan Mohan Malaviya, if I may say so in his absence, was one of the principal exponents of the right of the Legislature to be represented on the Board of that Bank. I remember in Simla presiding over an *ad hoc* committee for the whole of a Saturday to try to find a way out of the difficulties in connection with the Directorate of the Reserve Bank and in the end, as everybody knows, nothing was effected and the Bill fell on that rock.

On the subject of kerosene, to the suggestion made by Mr. Chetty. I would only like to say this, that departing from the old policy of the difference between the excise and the import duty is rather a serious matter for the indigenous companies, and assuming that the price remained the same, it would, of course, affect the return which the country would get from income-tax and super-tax. That, possibly, is a subsidiary point. But, anyhow, it is reversing a policy which has extended, as was pointed out, over a very long time.

Mr. Mudaliar, when he was half way through his speech, said that he would now turn to the Finance Bill, but instead of that he caught sight of the Government Gazette and proceeded to read announcements from that for some little time including rules about promotion, allowances, etc. He said that he had no knowledge at all of notifications, as regards allowances, promotions, etc. Therefore, I think he was particularly brave to embark upon the field he did, and, so far as I am concerned, he failed to convince me that any of those notifications was necessarily an extravagance or even an increase in expenditure. If I tell him that I increase my employee from Rs. 50 to Rs. 100 a month, he would proceed to lecture me at great length at the rash extravagance on my part, at this particular time, but if, when he finished his lecture, I pointed out to him that one of my employees earning Rs. 300 a month had just died, it would rather take away the gist of his argument. Therefore, to pick out statements like that out of the Gazette seemed to me peculiarly unconvincing and I have no doubt they can all be explained.

I regret very much that the custom still prevails,—I suppose it is unavoidable—that this long and rambling discussion should take place on the second reading of this Bill, in view of the fact that many of us already have had an opportunity of discussing the financial situation generally in the Budget discussion. I came down to the House today prepared to move the closure, but I found the big guns were going to get started and that it would be quite impossible. It seems to me that in these debates, people on the back benches should as far as possible give points to their leaders and one or two, or at the most three speeches from the larger groups, and perhaps one each from the smaller groups, would be a very much more effective and business-like arrangement than that which already exists. I know the difficulties in India cannot be compared, for instance, with England. Here you have Members from different Provinces, who all want to have their say, and you have different communities. At the same time, I do regret that these debates should go on for so many days . . .

Mr. C. S. Ranga Iyer: Is the Honourable Member aware that in England the House of Commons sits for more than nine months in the year, whereas this Legislative Assembly, taking both the Simla and the Delhi Sessions into consideration, does not sit for more than 3½ months or four months and also that private Members of the House of Commons as well as Party Members have greater opportunities of expressing their opinion than Party Members and private Members in this House.

Sir Hugh Cocke: The interjection of the Honourable Member is very interesting and to a very large extent true. But, it does not get away from what I was saying that I think there should be more cohesion in parties, more arrangements under which Leaders ventilate the views of the general body.

Mr. C. S. Ranga Iyer: Back benchers have as great a chance in the House of Commons as other Members, and perhaps much greater chance there than here.

Sir Hugh Cocke: That brings me to another point which I would just like to touch upon, and that was the point raised by the Leader of the Opposition, that the House was not summoned earlier.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): It is for the President to decide.

Sir Hugh Cocke: The Leader of the Opposition made a remark in the Assembly this morning that the Assembly was not summoned earlier, after the election, and Sir Lancelot Graham pointed out that that was a matter for the Governor General and not for the President.

I merely want to say this, that no legislature can carry on the executive; no doubt the Government would have called together the Assembly earlier if they had considered it necessary but I think that in all the circumstances of the case it would not have been very helpful either to this House, and certainly not helpful to Government had that been done. Sir, I have no wish to take up the length of time which certain other Members have indulged in, and I beg to say that, subject to certain modifications in the Income-tax which we wish to effect with the help of the Benches opposite, we are in favour of this Bill now being taken into consideration.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Mr. President, I will first apologise to you and to this Honourable House and ask you to forgive me if I do not traverse the whole field of the administration of the Government of India. I propose on this occasion to confine my attention to the Finance Bill. I think my Honourable friend, Sir Hugh Cocke, showed—may I say—unnecessary irritation at the very long speech and amusing speech, he will admit, of my Honourable friend, Diwan Bahadur Mudaliar. Now, I happen to be in a position not only to be able to sympathise with my Honourable friend, the Diwan Bahadur, but to a certain extent, to be able to sympathise also with the Government Benches. Sir, I would appeal to him and to all Honourable Members opposite to realise the difficulties of the non-official Members. I have suffered under these difficulties very often indeed, and when I had the privilege of sitting on the official Benches in my own province, I was able to sympathise with the Opposition Benches. And, Sir, I found that it not only paid Government but it cut short the discussion considerably if Honourable Members of Government—not always the Finance Member—got up after a speech like that one just delivered by my Honourable friend and pointed out shortly where the speaker had gone wrong. Now, Sir, I do desire to point out to this Honourable House one great difference that I have noticed between my Honourable friends opposite and my Honourable friends who occupy the Treasury Benches in the provinces. There they make it a point to get up and speak—one Honourable Member from the Government Benches,—after one or two Honourable Members from the Opposition Benches have spoken, and put matters right. But here day after day speeches go on being made by my Honourable friends and not a word from Government. There is not a word to say that the Honourable Members here have made a mistake. They go on labouring under that mistake; and what is more, other Members who again rise continue with those mistakes, if mistakes they are. Why not then remedy the position by asking an official Member, not always the Finance Member—there are plenty of Honourable Members behind him—to get up and speak now and then, and I am sure the House will not grudge the time. Sir, the keen eye of my Honourable friend here, the Diwan Bahadur, who searched through Gazettes for examples of, I will not say extravagance, but of want of foresight towards economy, has not caught what I consider the extravagance on the

part of Government exhibited in this very House. My Honourable friend, the Finance Member, has got behind him official Members specially sitting on the back Benches, coming from the provinces, holding very responsible posts in those provinces, and deservedly drawing very high salaries. What use do Government make of these Honourable Members? Are they here as logs of wood to put up their hands and vote? What are they doing here in Delhi for two or three solid months drawing 2,500 or 3,000 rupees a month? Are they merely here to vote?

The Honourable Sir George Rainy (Leader of the House): Sir, is the Honourable Member in order in casting aspersions upon his fellow-Members in this House?

Sir Cowasji Jehangir: I am casting no aspersions at all.

Mr. President: Honourable Members are aware that no one can cast aspersions on his colleagues, but I am not satisfied that so far
4 P.M. any aspersions have been cast.

Sir Cowasji Jehangir: I find no fault with the Honourable Member. I find fault with the Treasury Bench for not making use of those Honourable Members. What I have been complaining of is that Members of Government do not get up and explain things. We cannot expect the Finance Member constantly to get up and explain them. After all he is human. It is bad enough to have to sit down for three long days in one's seat, sometimes alone on the Treasury Bench (Laughter) without having to jump up and give explanations on everything. But you find capable first-class Civilians sitting down in a row behind, not saying a word throughout the Sessions. Why bring them here, may I ask? Have some *pattawallas* to vote with you and let these Honourable Members go back to their provinces and work. I daresay they may have supplied the Finance Member with valuable statistics; they may have supplied him with valuable information, but we are not aware of that. All we see is these Honourable Members sitting here, drawing very high salaries and doing nothing. Not that they come here because they like to come here; not that they come here—I am certain—because they want to come here and do nothing. It is the system of Government which is extravagant. It is only an instance, and I emphasise it because I have noticed a great difference between the part played by such Honourable Members in my own local Legislative Council and the part played here. There they are of the greatest assistance to Government Benches.

Well, Sir, now let me just come to the Finance Bill. I beg to be excused for having drawn attention to what I really consider to be a little extravagance. Sir, it has been very often said that the ordinary man in the street tests the question of economy by the total amount he is called upon to pay and the total amount of the expenditure. It has been pointed out that, notwithstanding all the efforts made by my Honourable friend, the Finance Member, his expenditure is nearly the same for the coming year as in the present year; and what is more, that during this current year, from the beginning of which it was realised by every one of us and I am certain by every Member of Government, that this year there was going to be a deficit Budget and we were passing through a crisis, we find that the expenditure has gone up by nearly a crore and a half as shown by the Budget estimates and the revised estimates. Now, Sir, we who are

[Sir Cowasji Jehangir.]

called upon to pay surely are only human like my Honourable friends opposite, and if we do express our resentment, surely we have some justification. In the current year, a year in which I repeat everybody was aware of the fact that we must have a deficit, the expenditure goes up between the original estimates and the revised estimates by a crore and a half. Between the revised estimates and the estimates for the coming year there is retrenchment of 55 lakhs. That is the sum total of retrenchment on paper. I have no doubt that my Honourable friend, the Finance Member, made Herculean efforts even to produce this difference of 55 lakhs, and that if he had not done so, the expenditure would have leapt up by leaps and bounds and there would have been a much greater deficit. But we are not satisfied: it has been so often repeated that I am certain my friend is sick of hearing it—we are not satisfied that sufficient efforts have been made. His retrenchment of 170 lakhs, in the Army Budget, with due respect to him, has been more or less exploded. It is certainly less by 170 lakhs so far as this one year is concerned; but it is not retrenchment; it is deferred payment to a great extent. Then he takes advantage, and rightly too, of lowered prices in certain cases, but he warns us that the figures may go up again. It is difficult, therefore, for us to accept readily all the drastic proposals that he has suggested.

I am not going to weary the House for more than three or four minutes, as I am certain there are more Honourable Members wishing to speak. I will come straight to the point. Your revenue is derived under two main heads: tax heads revenue and non-tax heads revenue. Tax heads revenue for 1931-32 is Rs. 86 crores 38 lakhs. They include customs, income-tax, salt and opium. It is on these heads that all the burden is to be placed. It comes to either 17 per cent. or 20 per cent. of increased taxation. No other head is touched. Under income-tax you have lumped it on with a heavy hand and certain of the highest incomes will have to pay 35 per cent. of their income in income-tax alone. Add to this provincial taxation, local taxation: how are you different from any country in Europe? And if you are no different from any other country in Europe, will the Treasury Benches tell us whether they are offering the people of this country the same amenities of life that European countries are offering? (Opposition Cheers.) Have we got the same hospital accommodation? Have we got the same sanitation? Have we got the same roads? Have we got above all the same educational facilities that are given by Government to the public in European countries? And you desire this year to raise our taxation to European standards. Have we not a right to ask that, if we are to pay, let us at least believe that we are getting our money's worth? When Honourable Members in the old days complained that life in this country was different to life in Europe, that Government did much more for their people in Europe than they did in India, the answer naturally was "Compare your taxation: you are paying much less". Now, when you call upon us to pay taxation on the same scale as European countries, are you offering today any further amenities to what you offered last year? No. And if a big hole is to be made in our pockets and we are asked to retrench—the clerk on Rs. 200 or 300 a month up to the richest man in his daily ordinary life,—may I ask Honourable Members opposite whether we have not got the right to claim that you set the example first and then ask us to follow? (Opposition Cheers.) You ask us to set the example and retrench in our own homes, and you

say you will follow the example later. You are reversing the order; and the Honourable Members on these Benches are not going to stand it, that is all. Set an example. Retrench and then call upon us to make good the deficit. (Cheers.) We are prepared to do so. But to put on taxation, lump it up, and ask every one of us here to retrench in their ordinary expenditure and make no effort yourself is not a fair proposition to place before any Honourable House. I quite sympathise with the Honourable Member when he suggests a committee as the best thing he can do. All I can say is that now that he has included the Army in the investigation, there seems to be some prospect of success; but it is very much like trying to find out a new source of water supply when your house is on fire. It may take two or three years before you find it. By that time the house is sure to be burnt down.

I wish to say this, Sir. There is no sense of want of responsibility on this side of the House. If there is any, it is infectious, it comes from the other side. (Laughter.) There is a want of responsibility on the other side. How can you then complain in these times if we say, we can do no better. From what little I know of my Honourable friends here, I believe them really to be very reasonable. They are prepared to meet the Government if the Government is prepared to meet them. Will Government show that they are bent on retrenchment? And in anticipation of that retrenchment are they prepared to make a substantial cut in their Budget? If not, you must not blame this side of the House with want of responsibility. We shall walk into the lobby and make a substantial cut; the onerous duty of having to certify will be on the shoulders of others who are not responsible. I do not wish to place anybody in that onerous position: but at the same time I must see that justice is done to the people whom I have the honour to represent in this House. I am not going to allow them to be taxed out of existence in these difficult and trying times in the history of their lives. I am not going to allow my people to be taxed in a way that will prevent them from recovering and be told that I am showing a sense of responsibility. I would rather be irresponsible, absolutely and completely irresponsible, but do my duty as a representative of the city which has sent me here. Under those circumstances I cannot possibly vote for the taxation that has been proposed. But I personally—and I am sure many of my Honourable friends here—are prepared to meet the extraordinary situation that has arisen. We ask for the co-operation of the Benches opposite. My friend, Diwan Bahadur Ramaswami Mudaliar, was right when he said that we have seen no sign of that co-operation up to now. Let us hope that we shall see it a little later on. If we do, you may be assured that Honourable Members here will be only too glad to welcome such co-operation. If it is not forthcoming, all I can say is: do not charge us with irresponsibility; realise that the irresponsibility is infectious: it has come from across the floor of the House.

Mr. S. C. Shahani (Sind: Non-Muhammadan Rural): Sir, I must thank you for giving me an opportunity

Mr. President: Before we proceed I should like to say one word. This is the third day that this debate has been going on. As many Honourable Members still wish to address the House, I hope that those Honourable Members who may catch the eye of the Chair will be very brief.

Mr. S. C. Shahani: I am much obliged to you for giving me an opportunity to take part in this general debate on the Finance Bill. I would not begin without congratulating most heartily my friend, Mr. Chetty, on his delivering a true budgetary speech. I would proceed now without any further comment to make my contribution to the general discussion.

Sir, a lot has been said with regard to the estimated heavy expenditure, but very little has been said about the inadequacy of the amount that will be devoted to the nation-building departments, particularly, Education. I have been engaged in the work of education all my life. I would like to make a special point of referring to what has so far been done in the Department of Education. But before I do so, I would like very much to point to some of the defects in the procedure adopted in the Assembly on account of which the necessary budgetary criticism has not been evoked in the case of the Finance Bill. I have seen that in America a very good procedure is being followed. Their year begins in July, and they start the consideration of the Budget in December, that is to say, about six months before their year ends. Now what do we do here? About 84 Demands were disposed of in four days. I think on an average if 12 speakers take part on each Demand, and if 10 minutes are devoted to each speaker, it should take about 21 days to dispose of the Demands. I see that the Governor General has the power to devote 15 days to the consideration of Demands (Rule 46), and yet only 4 days were fixed for the consideration of these Demands. The whole of the Budget, both on the side of Receipts or on the side of Expenditure, is being dealt with in a somewhat lightsome spirit. I should not hesitate to give expression to all my views in regard to the Budget. * [] .

I will read a passage from the American Year Book which shows how the Americans regulate their estimation of receipts and expenditure.

"President Coolidge was much concerned about the fiscal condition of the Government at the beginning of the period covered by the 1929 budget which estimated receipts of \$3,707,000,000 and estimated expenditures \$3,801,000,000. About two months after the opening of the 1929 budget period, General Lord, the Budget Director, estimated that the period would end with a deficit of over \$94,000,000. This was bad news in view of the national campaign which was then starting. But General Lord was frank about it. Two days later President Coolidge told the newspaper reporters that he was disturbed by the looming deficit and that he would cope with it by cutting down the expenses of the Government. He announced that he would summon the department and bureau heads and demand that they reduce expenditures, but the situation began to look brighter, so things were allowed to run along about as before",—

and no necessity arose for it. The Americans insist on adopting in regard to expenditure a policy of "Pay as we go". This is their phrase which we all might very well bear in mind. It is further stated in the Year Book that,—

"The preceding year's surplus was estimated at slightly under \$37,000,000. But according to custom it was not included as a means of financing the budget of the succeeding year. While the 1930 budget was approximately within the total expenditure limit fixed by President Coolidge, it did not take into account the additional and deficiency appropriations of 1929 and prior years which Congress was called upon to make. One may wonder how these increased expenditure requirements are to be met, assuming that the revenue estimates contained in the President's Budget represents fairly accurately the future income of the Government. As a matter of fact,

* [] This portion of the speech was expunged by the subsequent direction of the House (*vide* p. 2534 of these Debates).

the actual receipts have been underestimated every year since the budget system was inaugurated. Usually the receipts have been 7 or 8 per cent. above the estimates; in the 1924 budget they were as high as 16 per cent. above the estimates and in the 1925 budget they were as low as 2 per cent. above the estimates. . . . This continuous underestimating has been the subject of some criticism. There are evidences that Congress has lately come to regard the revenue estimates in the budget as being so conservative that it may exceed them with impunity in making appropriations. This may lead to a serious state of affairs in the finances of the Government. Recent changes in the tax laws add to the difficulties of accurate estimating, but it would seem possible to prepare revenue estimates which would approach the actual receipts to within 5 per cent. and keep Congress to this figure."

Sir, I have read out these passages to show that the Americans are very mindful of their estimates of receipts and their estimates of expenditure. Their receipts are estimated in a manner which does not allow variation from the actuals to the extent of more than 5 per cent. Sometimes, the variation has come to 16 per cent. but then, this much variation has been viewed with disfavour on account of its engendering a tendency on the part of the heads of departments to propose appropriations which would be much in excess of the amounts which should be fixed for them. A surplus which accrues to the American Exchequer in any year is never applied to the deficit that may occur in the succeeding year, but expenditure is kept under control. The President takes a special interest in seeing that the expenditure in no manner exceeds the receipts. The military expenditure of the American States never exceeds one-sixth of their total expenditure, whereas our military expenditure here is, even taking the expenditure at a low annual figure of Rs. 50 crores, more than one-third the total expenditure. I spoke just now of Rs. 50 crores per year for the military expenditure. The other day, when I sought to examine the correctness of the statement which was made by the Honourable the Finance Member with regard to the effect of the lengthening of the period of stabilisation, I said that instead of a saving of Rs. 1,70,00,000 in 1931-32, as calculated by the Finance Member, the expenditure during 1928-29 to 1933-34 would actually go up by Rs. 1,70,00,000; that according to my calculation, at the end of 1933-34 without the lengthening of the period of stabilisation the total military expenditure from the year 1928 would have amounted to Rs. 320 crores (55 crores each year for four years ending 1931-32 and 50 each year for 1932 to 1934) and that according to the estimate which was made by the Honourable the Finance Member the expenditure would amount to Rs. 321.70 crores. The Honourable the Finance Member got up to enquire from me as to where I had got my figure of Rs. 50 crores in my calculation from. I could not quote chapter and verse then, but subsequently I have been able to spot the passage in the Explanatory Memorandum on which I had based my calculation; and I shall quote it in order to show that the calculation which I put forward is the correct one. I am referring to page 29 of the Explanatory Memorandum, paragraph 3.

"The Indian Retrenchment Committee, after their exhaustive examination of every aspect of military administration, recommended that the net budget for 1923-24 should be fixed at Rs. 57½ crores, subject to such addition as would be necessary on account of the delay which must necessarily ensue in carrying out the proposed changes, and in order to meet special expenditure in Waziristan, etc. In their final review of military expenditure, they envisaged further large automatic savings and they considered that, in subsequent years, expenditure would be susceptible of reduction to Rs. 57 crores and ultimately to Rs. 50 crores provided a further fall in prices took place."

[Mr. S. C. Shahani.]

It would seem that in each year from 1923-24 the expenditure has been below the Retrenchment Committee's figure of Rs. 57 crores. In 1927-28 it stood at Rs. 54.79 crores. I have got to point out that the prices have fallen and fallen phenomenally. I have also to point out that on account of the exchange ratio of 1s. 6d. less has to be expended upon payments that are made in England in the Military Department, and that has meant a large saving. If you look into paragraph 5, you will see:

"In each year from 1923-24, the expenditure is well below the Retrenchment Committee's figure of Rs. 57 crores. It will be realised that, with the heavy commitments for expenditure in England which are provided for in the Military estimates, a considerable part of the reduction below Rs. 57 crores is attributable to the present rate of exchange, the Retrenchment Committee having worked on a basis of 1s. 4d.=1 Re."

Having said this much, I would deal with the main point which I wanted to make on the floor of this House, namely, that enough is not being devoted to education. I find that only about Rs. 18 lakhs are devoted to education by the Central Government, which works out at .14 per cent. of the total expenditure. Now, the Provincial Governments are devoting a part of their receipts to education, but the percentage of that too would not exceed the percentage that is being devoted to education by the Central Government. I find that on public health .10 per cent. of the total expenditure is being spent; and on industry .01 per cent. On the whole, no more than .25 per cent. is being devoted to the nation-building departments. The American expenditure on Education alone comes to 39 per cent. of their total expenditure. My Honourable friend, Raja Bahadur Krishnamachariar, said that the average income of an agriculturist was very low, and that ways and means had to be found to increase his income. The average income of the people of India is only about Rs. 6 to Rs. 8 per month per head. It would be Rs. 6 according to some economists, and it would be Rs. 8 according to others. It goes without saying that the amount of Rs. 6 or Rs. 8 per month could never help anyone either in the country or in the city to secure for himself and his family any real growth and development. Education is the only real way and means for raising the average income of the Indians. I would like to make the most of this opportunity. In the matter of education, I would leave primary and secondary education. I would at once refer to what is being done for the Delhi University. In 1922 this University was inaugurated. It was stated in the objects attached to the University Bill—I was in the Assembly then—that the University would be unitary, teaching and residential. The University has not become unitary, although nine years have gone. The colleges continue units both of lecture work and tutorial instruction. I can only say that some attempt is being made at inter-collegiate work in the two colleges at the Kashmere Gate, but beyond that neither the lecture work nor the tutorial work is really university. Each College works as a unit by itself, and there is practically no control of the University. The University has not become a teaching university either. Only three readers have been appointed instead of six, two in science and one in economics. Nothing beyond that has been done. I also see that the Faculties of Commerce, Medicine, Technology and Fine Arts, which were intended to be started long ago, have not yet been started. I also see that the University has not become residential. The

biggest College in Delhi has its hostels in hired premises and the Law College is also housed in unsatisfactory hired premises. The offices and the library are situated at a considerable distance from the College and their hostels. Not only that. The laboratories are situated in hired flats adjoining Davicos tea rooms and dancing halls and are unworthy of even good colleges. The University has not been in these nine years made unitary or teaching or residential. And then the grant which is being given to it is not even one-sixth of the grant that is given to Lucknow or Allahabad University by their Provincial Governments and it is less than one-fourth of Dacca. Even the Benares and Aligarh Universities are getting more from the Central Government than the Delhi University, for which the Central Government are directly responsible. Not only that; the Raisina site for the University has been cancelled by an executive order. A Finance Committee was appointed some three years ago to inquire into the financial condition of the University and to advise the Government on educational affairs. No educational expert sat on it, and many of the recommendations that were made by this Committee were inconsistent with the recommendations of the Sadler Commission, which is undoubtedly an authoritative Report. But even the recommendations that were made by this Finance Committee have not been given effect to. A policy from every point of view of drift and indifference is being pursued and I would request the authorities to look into the matter as early as possible. I have not much time at my disposal. Otherwise I should have liked to talk about the board that has been appointed for secondary education for Delhi. Naked autocracy, so far as I can see, rules in the case of all matters pertaining to Delhi. The Land Alienation Act was by an executive order made applicable to Shahdara. I trust that at any rate an advisory council for Delhi will forthwith be appointed, and some days will be allotted in the Assembly to Delhi matters.

Now, I would say just a word with regard to what is happening in Sind. The capacity of the agriculturist to bear the burden of new taxation in Sind is at a low ebb. Sind has suffered from unprecedented rains and floods, and it has recently suffered from an unprecedentedly large number of gang robberies—not less than 200 in a month and a quarter. I amused His Excellency the Governor of Bombay when he visited Sind and some of the other Sind authorities by saying that, if I had been entrusted with the work of suppressing the gang robberies, I would have found it possible to do so in a week. Now, on account of these gang robberies and floods, the new taxation will operate very heavily upon the people of Sind. Again, at this time it is being proposed that the province should be converted into a separate province. Mr. Layton has told us that 30 to 50 crores would have to be spent upon the impending constitutional reforms, and surely a large sum will be spent upon the creation of a separate province. It is very unfortunate that no one represented the Hindus of Sind at the Round Table Conference. The Sub-Committee (Russell Committee) that was appointed to consider the separation of Sind decided that the province should be separated. They have accepted the principle of separation, but I trust that if the findings of the Sub-Committee in the case of Burma come to be revised, *a fortiori* this verdict of the Russell Committee in the case of Sind would be revised. It has been said by the Russell Committee that there has long been an insistency in the matter of advocacy for the separation of Sind. This

[Mr. S. C. Shahani.]

is an absolutely wrong statement. The All Sind Hindu Association and the Panchayats of Sind have been protesting and very strongly protesting against the separation.

Nawab Sir Sahibzada Abdul Qaiyum: Was not the separation movement started by the late Mr. Harchandrai Vishandas, who was also a Member of this House?

Mr. S. C. Shahani: I know the whole thing. I could not be led to believe that Mr. Harchandrai started this advocacy for the separation of the province. The Hindus of Sind have consistently protested against it with the exception of a very few. Even the Muhammadans have been uptill lately against it. Kindly bear in mind that the Muhammadans of Sind have advocated separation only when an outside Muhammadan demand has been made.

Mr. C. S. Ranga Iyer: Hear, hear.

Mr. S. C. Shahani: An attempt is being made to convert Sind into a Muhammadan province, contiguous to Baluchistan, the North-West Frontier Province and the Punjab, to form a belt of pan-Islamic influence.

Nawab Sir Sahibzada Abdul Qaiyum: They want to make Sind a separate province on its own merits

Mr. President: Order, order. I cannot allow the Honourable Member to be interrupted. At a quarter past four he begun addressing the House and I appealed to him to be brief—and it is now nearing five o'clock.

Mr. A. Das (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): I should like to thank you, Sir, for allowing me to say something of a particular nature on behalf of the constituency which I have the honour to represent. At this late hour and after so many interesting, or shall I say also some non-interesting debates on the Budget, I think everybody must be more or less tired of hearing speeches on the Budget; and although I also intended to say a few words on the Budget and the Finance Bill, having regard to the late hour and the soporific speeches which perhaps from the Government point of view were inflicted upon the House but which from our point of view were very enlightening, I will not say anything about the Finance Bill beyond remarking that it certainly does not represent a change of heart. If there had been a change of heart, Sir, I think some really substantial efforts would have been made by the Honourable the Finance Member to meet the deficit in other ways. Sir, I personally look upon the management of the Government in the same light as anyone of us would look upon the management of his own household. If you find income going down, you take drastic steps to reduce your expenditure or to do what you can in order to make the two ends meet. Has the Honourable the Finance Member done the same thing with regard to the Budget, or not? If he has not done so—and the reason is pretty obvious, because we are living under a Government which cannot by its very nature sympathise with all our demands and aspirations—I really pity his position. What can he do? But, if the Government is to be carried on honestly and in the interests of the people concerned, and not in the interests solely or mainly of those who govern it, I think a very different Budget would have been put forward, or at any rate substantial cuts would have been made in the present Finance Bill.

Now, Sir, coming to the special point about which I ask your permission and the indulgence of the House, I want to mention one matter. I represent the Benares and Gorakhpur Divisions. There is a river boundary between Ballia and Ghazipur in the United Provinces and Shahabad and Saran in Bihar. By a notification of the Government of India of 1865 the river Ganges which is also called river Ghagra at some other place, was fixed as the boundary, and from about 1888 down to 1912—which is all the information I can get here in this Manual of Government Orders and Rules both of the Bihar and Orissa and the United Provinces Governments—I find that a number of villages every year have been transferred from one side to the other and back again to the other side. I personally went down to Ballia and saw the Collector of that district and he told me that that was the procedure which under the Government orders had to be carried out every year after the rains to find out which was the deep stream. If the deep stream is on the Ballia side, a number of villages is transferred to the Shahabad side; if the deep stream is on the Shahabad side, a number of villages is transferred to the Ballia side. If it were only a question of territorial jurisdiction, it would not matter much, but some of the Honourable Members of this House may perhaps have been to Ballia and they will realize the position. Sir, the tenancy laws in the United Provinces are very different from those in the province of Bihar and Orissa, where Shahabad lies, and Ballia and Ghazipur districts are permanently settled districts. A number of tenants have secured permanent statutory rights which are transferable, and those rights have been acquired during the course of the last 20 years at considerable prices and have been transferred to other sub-tenants. Now these tenants, being at one time under the district of Ballia and at other times under the district of Shahabad in Saran, are very much affected, and their interests seriously suffer; and therefore what I want to do is to ask the Honourable the Finance Member or those other Honourable Ministers who have the control of this affair to look into this question and see whether it is possible or not to avoid these useless boundary operations being carried on year after year by one officer of each district and in case of disagreement by a joint inquiry by both districts, and to fix instead some such rule by which it may be possible that these poor tenants and their valuable rights will not be transferred from one province to another simply because of the vagaries of the river every year. I offer two suggestions, one is this, that either such boundaries between these two provinces and the adjoining districts should not be distributed for a period of at least ten years, irrespective of whichever side the deep stream of the river lies, or secondly that so far as the river changes its deep stream in a width of about 10 miles or 8 miles, it will not affect the boundaries from one side to the other.

Lastly, when I was at Ballia, it was brought to my notice that about 10 or 12 villages have very recently been transferred from one side to the other. If I take the figures, I think I can almost say that every year once and sometimes twice a year a number of villages and large plots of land have been transferred from Ballia to Saran and back again to Ballia, also from Ghazipur to Shahabad and back again to Ghazipur.

I do not wish to take up much more time of the House than simply to invite the attention of Honourable Members to remove the standing grievances of Ballia and Ghazipur districts on the one side and Shahabad and Saran on the other and do something to alleviate their distress.

Mr. R. S. Sarma (Nominated: Non-Official): Sir the only justification for my getting up this afternoon is the cordial invitation that has been extended to any one of us in these Benches by Mr. Mudaliar to say something in reply to the observations that he and other Members in these Benches made this afternoon.

Mr. Gaya Prasad Singh: He referred to Official Members.

Mr. R. S. Sarma: No, he referred generally to the back Benches.

Mr. Gaya Prasad Singh: I think Sir Cowasji Jehangir did pointedly refer to the officials.

Mr. R. S. Sarma: He may have referred to officials but not Mr. Mudaliar, and I, Sir, want to ask and want to throw out a challenge to the Honourable Members on those Benches whether they can state a single argument, a single statement or a single constructive suggestion that any of those speakers made during the last three days which they have not made on the day of the Budget discussion and which have not been replied to by the Honourable the Finance Member.

Mr. B. Das: That is a libel.

Mr. R. S. Sarma: Sir, it may be a libel or anything of the kind. Sir, if it is true and is still a libel, I would rather say that I plead guilty and I am saying something libellous, but I put it to the Honourable Members that not a single argument has been advanced and not a single suggestion made except those that were made on the day of the Budget discussion and have been answered by the Honourable the Finance Member. The only one swan song or parrot cry of the Honourable Members opposite was on the theme of retrenchment. I remember, Sir, the other day when the Honourable the Finance Member said what he had to say on that subject, and added that he was going to have a Retrenchment Committee and was going to add the Military Budget in the terms of reference, he was rightly and readily applauded by the Members of the Opposition, and I really do not know what there is to reply to more than what he said on that occasion.

Secondly, Sir, my Honourable friend, Sir Cowasji Jehangir, with a warmth which was worthy of a better cause, asked why these brilliant Members of the Indian Civil Service and Members of the Provincial Services were brought from their homes for two or three months in the year and made to sit quiet on these Benches only to raise their hands. I do not know myself about this, Sir; and I have been trying to find out myself, why it is so, for some time. The Government have not taken me into their confidence, but I have some sort of secret suspicion that these gentlemen, brilliant as they are, must have committed some sort of slight sins in their past lives, and a merciful Providence, probably, as a sort of mild punishment ordained that they must come here and sit listening to the sort of speeches that they have been listening to for the past few days from the Honourable Members on the opposite side.

The Assembly then adjourned till Eleven of the Clock on Friday, the 20th March, 1931.

LEGISLATIVE ASSEMBLY.

Friday, 20th March, 1931.

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

QUESTIONS AND ANSWERS.

GOVERNMENT SUPPORT FOR THE RURAL DEVELOPMENT FEDERATION OF DELHI.

1023. ***Mr. B. Rajaram Pandian:** Will Government be pleased to state:

- (a) whether they are aware that there is a Rural Development Federation at Sitaram Bazaar, Delhi, for the rural uplift of India;
- (b) if they have received any communications praying for Government support;
- (c) if the answer to parts (a) and (b) is in the affirmative, what reply the Government gave them;
- (d) if a reply has been given, whether Government will be pleased to lay the same on the table; and
- (e) if no reply has been given, the reason why?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: With your permission, Sir, I will answer questions 1023 and 1024 together. Government have received a copy of the memorial addressed to His Excellency the Viceroy by the Rural Development Federation on the 25th February, 1931. No action has been taken on it as it would obviously be premature to consider the question of according the Federation any recognition by Government until it has satisfied the Local Administration of its representative character, its status and its ability to carry out the ambitious programme outlined in its memorial.

In reply to parts (d) and (e) of question 1024, I would point out to the Honourable Member that the promotion of rural uplift work is primarily the responsibility of Local Governments and Administrations. The action they have taken on the recommendations made by the Royal Commission on Agriculture on this subject has been stated in the Report on the progress made in giving effect to the Commission's recommendations generally, a copy of which is available in the Library of the House.

GOVERNMENT SUPPORT FOR THE RURAL DEVELOPMENT FEDERATION OF DELHI.

†1024. ***Mr. B. Rajaram Pandian:** Will Government be pleased to state:

- (a) if it is a fact that the Rural Development Federation at Sitaram Bazaar, Delhi, submitted a memorial to His Excellency the Viceroy on the 25th February, 1931;

†For answer to this question, see answer to question No. 1023.

- (b) if the answer to part (a) be in the affirmative, whether Government approved their plan of action;
- (c) what support Government propose to give to that movement;
- (d) whether Government are going to take into consideration the rural uplift work; and
- (e) what line of action they propose to take and when?

REGULATION OF THE PRICE OF FARM PRODUCTS.

1025. ***Mr. B. Rajaram Pandian:** (a) Are Government aware that there is fluctuation in the markets for all the home-farm products?

(b) Do Government propose to regulate the price?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Yes.

(b) No. Price fixing operations in other countries have completely failed to achieve their object and have only accentuated the present depression in the prices of agricultural commodities.

APPOINTMENTS IN THE CENTRAL PUBLIC WORKS DEPARTMENT, DELHI.

1026. ***Haji Chaudhury Muhammad Ismail Khan:** (a) Will Government be pleased to state the number of Muslims and Christians fixed against the posts of 54 assistants in the Central Public Works Department, Delhi?

(b) What steps are being taken to satisfy adequately the claims of minority communities?

(c) Is it a fact that certain routine clerks have been treated as assistants, such as Messrs. Tej Kishan, Sahab Dial, etc., whereas those actually performing the duties of assistants for a number of years have been ignored?

(d) Will Government be pleased to state the educational qualifications of the seven Superintendents and 54 assistants?

Mr. J. A. Shillidy: (a) Of the total number of 56 assistants in the Central Public Works Department, 10 are Muslims and one an Indian Christian.

(b) In making new appointments, due consideration is given to the adequate representation of minority communities.

(c) The assistants mentioned have been classed as such by virtue of length of service, and rate of pay which they have earned by gradual promotion. The cases of those who are actually performing the duties of assistants have not been ignored. They too will rise to the same status if and when they have put in the same length of approved service.

(d) Government do not consider that any useful purpose would be served by supplying the information asked for.

PAY OF CERTAIN CLERKS IN THE CENTRAL PUBLIC WORKS DEPARTMENT, DELHI.

1027. ***Haji Chaudhury Muhammad Ismail Khan:** (a) Will Government be pleased to state the reasons for differentiation in fixing the pay of Messrs. Harbans Lal and Jang Bahadur (both being graduates) in the Central Public Works Department?

(b) Is it a fact that certain under-graduates (Hindus) having no previous experience were appointed in the Central Public Works Department, Delhi, on Rs. 72 p.m., while certain Muslim graduates were appointed on Rs. 60 p.m.? If so, will they please state the reasons?

Mr. J. A. Shillidy: (a) The reason is that the person first named was appointed to a purely temporary vacancy of a special nature, while the second man was appointed to the regular clerical establishment on the ordinary minimum rate of pay.

(b) Yes, but Muslims also have been appointed on the higher rate of pay.

CONTRACTS FOR WORK IN CONNECTION WITH THE INAUGURATION OF NEW DELHI.

1028. ***Haji Chaudhury Muhammad Ismail Khan:** Will Government please say whether it is a fact that:

(i) no contract was given to any Muslim contractor in connection with the formal inauguration of New Delhi;

(ii) that S. Bahadur Singh, Sub-Divisional Officer in charge, had recommended his own men for giving contracts in connection with the inauguration work; if so, what are the reasons?

Mr. J. A. Shillidy: (i) The answer is in the negative.

(ii) S. Bahadur Singh had nothing to do with the giving of the contracts. Tenders were called for and received by the Officer on Special Duty and disposed of by the Superintending Engineer.

RELATIVES OF GOVERNMENT SERVANTS INVOLVED IN A BOMB CASE.

1029. ***Haji Chaudhury Muhammad Ismail Khan:** Will Government please say whether it is a fact that the nearest relatives of certain subordinates were involved in the New Delhi Bomb Case? If so, what steps have been taken to warn such Government servants?

The Honourable Sir James Creer: I am ascertaining the facts and will let the Honourable Member know the results in due course.

CONDITIONS OF TRANSFER OF GOVERNMENT EMPLOYEES FROM THE PUBLIC WORKS DEPARTMENT TO THE NEW DELHI MUNICIPAL COMMITTEE.

1030. ***Mr. N. N. Anklesaria:** (a) Is it a fact that some of the local activities of the Public Works Department relating to electricity, roads conservancy and health are being transferred and placed under the control of the New Delhi Municipal Committee? If so, from what date?

(b) Will Government be pleased to state how it is going to deal with the present Government employees of these Departments under transfer to the New Delhi Municipal Committee?

(c) Will their services be placed at the disposal of the Municipal Committee on foreign service conditions or will their services be dispensed with by Government and then be placed at the disposal of the Municipal Committee for re-employment?

(d) Are there any safeguards provided by the local Government at Delhi for the stability of the Municipal services in Delhi on the lines of those for Government servants?

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LEGISLATIVE ASSEMBLY.

[20TH MAR. 1931.]

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Government decided to transfer certain services from the control of the Public Works Department to the New Delhi Municipal Committee on the services of a whole-time President of the Committee being available.

(b) and (c). The matter is at present under consideration.

(d) The Local Administration of Delhi has framed rules under section 240 (n) of the Punjab Municipal Act, 1911, regarding the dismissal of municipal employees and other matters. A copy of these has been placed in the Library of the House.

DISCIPLINARY ACTION AGAINST CERTAIN EMPLOYEES OF THE NEW DELHI MUNICIPALITY.

1031. ***Mr. N. N. Anklesaria:** (a) Is it a fact that the New Delhi Municipal Committee lately considered at one of its meetings, with reference to section 45 of the Punjab Municipal Act, certain cases of municipal permanent employees, with a view to removing them from substantive appointments without any charge or finding but merely on the report of the Secretary?

(b) If so, are Government aware that this move on the part of the Committee or its Secretary has caused dissatisfaction in the services of the Municipality and panic among those Government employees whose services under the new scheme are going to be transferred to the New Delhi Municipal Committee?

(c) If the reply to part (b) above is in the affirmative, will Government be pleased to state what steps the local Government, Delhi, propose to take to remove such dissatisfaction and misapprehensions on the part of the Municipal servants as well as on the part of those who will, under the new scheme, be transferred to the Municipality?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Government understand that the case of certain employees is under the consideration of the New Delhi Municipal Committee. The appointment, discharge and dismissal of officers and servants in the employment of the New Delhi Municipal Committee are governed by sections 38 to 45 of the Punjab Municipal Act, 1911, which applies to Delhi. Government have no doubt that any action taken by the New Delhi Municipal Committee will be in accordance with the prescribed procedure.

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

TERMINATION OF SERVICES OF EMPLOYEES OF THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

1032. ***Mr. Muhammad Azhar Ali:** (a) Will Government please inquire and state whether it is a fact that clause 2 of the service agreement of a Bombay, Baroda and Central India Railway employee in the traffic department lays down that an employee's services may be terminated without notice on payment of one month's salary?

(b) Will Government please place on the table of the House a list of the Bombay, Baroda and Central India Railway employees whose services were terminated under clause 2 of the agreement referred to in part (a) from January, 1929 to June, 1930, stating in each case (i) the name and

address of the employee, (ii) the designation and grade of pay of the employee, (iii) the date of termination of service, (iv) the total length of service, (v) the designation of the officer who ordered the termination of service, (vi) the reason for the termination of service, and (vii) whether the reason for the termination of service was or was not communicated to the employee?

(c) Is it a fact that the Bombay, Baroda and Central India Railway authorities have, in most cases, utilised the clause referred to in part (a) in terminating the services of employees who have put in many years' services?

(d) Is it a fact that in cases of termination of services under the clause under reference the Bombay, Baroda and Central India Railway authorities have not communicated to the employees concerned the specific reasons?

(e) Is it a fact that whenever any employee has requested the said Railway authorities to inform him of the reason or cause of the termination of the service under clause 2 of the service agreement, the said Railway authorities have done nothing more than to repeat the said clause? If so, are Government aware that the said clause lays down powers of termination of services while the railway authorities have used it as a reason for the termination of services?

(f) Are Government prepared to instruct the said Railway Administration to reinstate those employees whose services have been terminated without assigning specific reasons for the termination of their services in the orders terminating their services?

Mr. A. A. L. Parsons: (a) Government have not with them a copy of the service agreement of the Bombay, Baroda and Central India Railway employees in the Traffic Department, but the condition that an employee's services may be terminated without notice on payment of one month's salary is common to the service agreements of subordinate railway employees.

(b) Government regret that they are not prepared to call for this information.

(c) Government have no information, but I am bringing this question to the notice of the Agent.

(d) and (e). Government have no information, but the service agreement of railway employees gives the administration the power to terminate the services of an employee with a month's notice or a month's pay in lieu without assigning specific reasons.

(f) No.

Dr. Ziauddin Ahmad: Are the conditions of service on the Bombay, Baroda and Central India Railway the same as on other lines?

Mr. A. A. L. Parsons: Generally speaking, I think that is so.

APPOINTMENT OF CERTAIN ASSISTANT STATION MASTERS ON THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

1033. ***Mr. Muhammad Azhar Ali:** (a) Will Government please inquire and state whether it is a fact that in December, 1927, and May, 1928, Mr. R. D. Singh, a very junior ungraded Assistant Station Master, and Mr. Moolchand, a junior ticket collector, were respectively ordered to be

[Mr. Jehangir K. Munshi.]

man to another. He is in charge of the Home Department. He is in charge of the preservation of law and order. It is he who has to scrutinise the applications received from the Government of Burma when they ask for extraordinary powers,—I appeal to him as man to man to look after the people of Burma and to scrutinise every such application with the greatest possible care. (Applause.)

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Sir, I first desire to dissociate myself from the remarks of the Honourable the Mover and the other Honourable Member from Burma with regard to the representative character of the Burma delegation to the Conference. I am not in a position to deny their representative character or to assert it, but I certainly desire to dissociate myself from certain of the remarks made. Now, Sir, my friend, Diwan Bahadur Mudaliar, has spoken at considerable length and has given this House a very clear and a very correct idea of what took place at the Conference, and if any Honourable Members want confirmation of the facts that he related, I would advise them to dip into this Blue Book, wherein will be found ample evidence of the correctness of my friend's statements. The first time the question of Burma came before the Conference was at the very first meeting of the Committee of the Conference as a whole, when U Ba Pe spoke on behalf of his country. I am not going to weary the House by quoting long passages from his speech. I will content myself by reading two very short extracts. I would ask the House to remember that U Ba Pe was the Leader of the Peoples' Party, and my friend, Mr. Munshi, has admitted that he was a true representative of the people of Burma. This is what he said:

"Burma has been suffering for various reasons. As is well known to the Indian people, we have nothing in common with them. Our race belongs to quite a different stock. We are more Mongolian than Aryan."

Further on, U Ba Pe says:

"I raised the question in the Burma Legislative Council,—the question being the separation of Burma,—by moving a motion to that effect which was carried unanimously, thus testifying that it was the unanimous wish of the people of Burma that Burma should be separated from India without any further delay."

Sir, there were only two British Indian delegates who took part in the discussion on that occasion, my friends, Mr. Chintamani and Raja Sher Mohammad; there were two Princes, the Maharaja of Alwar and the Maharaja of Bikaner. The position of the British Indian delegation on that occasion was exactly the position that all my friends here have taken up today, that is, that we as Indians have no desire to dictate to Burma whether they should separate or not. It is their affair, and having such a clear pronouncement from the Leader of the Peoples' Party, my friends from Burma will admit that we acted rightly and discreetly in not challenging that opinion. How could we? We were there at that time pleading for self-determination. We were there demanding before the British public our rights as citizens of our own country; we were there for a full measure of self-government. Who were we to deny to Burma the right to separate, if she so desired it. Well, Sir, on the strength of that speech, backed up by the Despatch of the Government of India, the Conference came to the conclusion that the first thing they should do was to agree to the separation of Burma. There were one or two British Indian delegates who raised the point immediately, whether the question of separation, was to remain open but in the usual way, the

Prime Minister ascertained generally the views of the whole Conference. There was some cheering, and so far as the proceedings of the Conference went at that stage, it was agreed that Burma could be separated. That was the ruling of the Prime Minister. Then, Sir, came the Committee. But before the Committee could sit, there were dozens of telegrams, all contesting the position taken up by U Ba Pe, but let it not be forgotten that there was not one single telegram that stated that under any circumstances Burmans were against separation. They wanted their own constitutional position clearly defined before they could agree to the separation. The British Indian representatives on the Committee took up that point very strongly and disagreed with that paragraph of the Report which desired His Majesty's Government to make an immediate announcement for the separation of Burma. The Report came before the Conference in Committee when a number—I have got all the names here, and anybody who wishes to know them may read this book—of British Indian delegates said that the decision was taken in a hurry, that the decision was taken without, let me clearly state, proper and adequate information, and therefore they desired not to be committed to the previous decision. My Honourable friend, Diwan Bahadur Ramaswami Mudaliar, has read out to you the concluding portion of the debate in which Mr. Jinnah, the late Maulana Muhammad Ali and others pointed out that they were not prepared to allow or to agree to His Majesty's Government making any announcement. That was the understanding when that debate was finished, and I am prepared to state that that was the understanding of every one of the British Indian delegation, and I think that will be confirmed by all the other delegates who happen to be Members of this Honourable House. Therefore, as far as we are concerned, it is an open question. (Mr. Jehangir K. Munshi: "Who are 'We' "?) I mean the British Indian delegates, and I may add, even the princes,—as far as we are concerned, it is an open question. We take up, and I believe my Honourable friends will agree with me, we take up here the same position that the delegates took up at the Conference at the second stage of the discussion. We are not here to dictate to Burma what they should decide; nor will we allow anybody else to dictate to Burma. It is not for the Englishmen in Burma to express an opinion; it is not for us to express an opinion. It is not for the Government of Burma or the Government of India to express an opinion. It is for the Burmans themselves, and how best to get an impartial verdict from the Burmans is a matter for further consideration. Whichever section of Burmese public opinion expresses a desire for separation, the allegation will be made that they are influenced. If they are not for separation, the allegation most probably will also be made that they are influenced. Let us not forget that. Therefore, how to get an impartial opinion and verdict of the Burmans is a question for further consideration. But as far as the delegates go, I say with some confidence that they did take up that position, and they will continue to take up that position,—that Burma shall not be dictated to. After the debate was over, I see that the Secretary of State, in answer to a question put by Major Graham Pole, in the House of Commons gave the following reply:

"Mr. Benn said that in connection with the Government's decision to proceed with the separation of Burma as announced by Mr. MacDonald yesterday, they wished it to be understood that the prospects of constitutional advance held out to Burma as part of British India would not be prejudiced, and the constitutional objective after the

[Sir Cowasji Jehangir.]

separation would remain progressive realisation of responsible government in Burma as an integral part of the Empire. In pursuance of this decision, they intended to take such steps towards the framing, in consultation with the Burmese opinion, of a new constitution as might be found most convenient and expeditious, their object being that the new constitution for India and Burma should come into force as nearly as possible simultaneously."

I definitely state that to my knowledge the whole Conference are not committed to this reply.

Now, Sir, I do not desire to prolong this debate. I will only state one thing, and that is, that we are not here to place before the Burmans the advantages of remaining with India, that is not our business today. We have no desire now or at any other time to place arguments before the Burmans. Finally, I think the most refreshing part of my Honourable friend's speech was when he admitted that the treatment meted out to Burma during its connection with this country cannot be characterised as callous. I have heard the allegation on more than one occasion, that this House and the Government of India were tempted to treat Burma as a step-child and that their treatment was callous. This admission on the part of a clever young Burman who represents Burma in this House, that he does not characterise the treatment meted out to his country up to now as callous is, I think, a certificate for both the Government and the Opposition. In conclusion, while congratulating him, I trust that the heavy hand of Government will not fall upon him for having made a fluent and clever maiden speech. (Applause.)

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhamadan): My Honourable friends who adorned the Round Table Conference have assured this House that the question of separation of Burma is still an open question. (*Diwan Bahadur A. Ramaswami Mudaliar*: "So far as they are concerned.") I would ask the Honourable Members of this House to read this passage from the Prime Minister's statement on the last day of the Conference, page 77.

"As to the Sub-Committee on Burma, its findings have been noted, and the Government will pursue the decisions of that Sub-Committee separating Burma and making the necessary inquiries as to the conditions upon which the separation is to take place."

I drew the attention of one of the delegates to the Round Table Conference to this concluding speech of the Prime Minister, and I was told that the Mover of the Resolution had not referred to it, and that, at any rate, it was not a part of the declaration of His Majesty's Government read out to the Round Table Conference. Sir, the reason why Burma does not find a place in the declaration of His Majesty's Government read out to the Round Table Conference is that Burma was no longer to be a part of India. That is the reason why in the declaration on the future policy of His Majesty's Government regarding the constitution of India, no reference is made to Burma. The inference is not to be therefore that Burma was to remain a part of India, but that following the decision of the Round Table Conference, the Premier declared the separation of Burma as a settled fact. My Honourable friends have not only pledged their own words but the words of all members of the Round Table Conference to the view that the question of separation is still an open question. I wish it were an open question, but in view of the very clear, categorical and unequivocal statement made by the Prime Minister, and in view of the very declaration

made by His Majesty's Government, is there any room for doubt that so far as the Round Table Conference is concerned and His Majesty's Government is concerned, the question of separation is no longer an open question? Having said this, I am sorry that when the Prime Minister made this statement, my friends, Sir Cowasji Jehangir and Diwan Bahadur Ramaswami Mudaliar, did not immediately get up and say that this was not the decision of the Round Table Conference. Read the speech of Mr. Jinnah and read the interrogations of the various members of the Round Table Conference.

Sir Cowasji Jehangir: I would draw the Honourable Member's attention to page 356 of the big book where the Chairman, the Prime Minister, has made a statement only two days before the other statement.

Sir Hari Singh Gour: If even the Prime Minister had made a statement two days before holding that the question of separation of Burma was an open question and two days later made a categorical statement that the question of separation was decided by the Round Table Conference, was it not the duty of the Honourable Members to protest immediately that that was not the decision of the Round Table Conference.

Sir Cowasji Jehangir: The Honourable Member must understand that the Prime Minister's statement he is quoting was the last statement made at the Conference, after which the Conference ended, while the statement I referred to was made during the discussion when every member had an opportunity of pointing out to the Prime Minister that he did not agree to allowing this question to be an open question.

Sir Hari Singh Gour: I am afraid my Honourable friend is only making his case worse by his interjections. If the Prime Minister made a statement which was not in accord with the decisions of the Round Table Conference and if it was the last day when the statement was made, was it not open to the Honourable Members to write to the Prime Minister, pointing out that that was not a correct statement so far as the decisions of the Round Table Conference were concerned. Did they do it? I say they did not.

Diwan Bahadur A. Ramaswami Mudaliar: If my friend is taking us to task, I did not brief Sir Hari Singh Gour as to the course of action that we should pursue.

Sir Hari Singh Gour: If they had done me the honour of briefing me, they would not have fallen into that mistake. (Applause.) Let this House clearly remember that it is not a matter which this House has to decide today. Let this House clearly remember that the decision of His Majesty's Government at the present moment is that Burma shall be separated from India. It is perfectly open to this House to ask His Majesty's Government to reconsider that question, if there is a motion to that effect, it is perfectly open to my Honourable friends, belated though they are, to inform His Majesty's Government, through this House, that they were misled because they did not exactly realise the implications of the Prime Minister's speech. Better late than never. I think my Honourable friends, the distinguished delegates to the Round Table Conference, are trying to make amends for their shortcomings on that occasion when the speech by the Prime Minister of England was delivered and when, according to them, the interests of Burma were seriously jeopardised by their own silence.

[Sir Hari Singh Gour.]

Now, Sir, having said that, we now come to the main question. The main question is this. His Majesty's Government have decided
4 P.M. that Burma shall be separated and what is more—see the last sentence—"and making the necessary enquiries as to the conditions upon which the separation is to take place". The Honourable Mr. Munshi asked the Honourable the Home Member whether he was prepared to deny categorically that communications have been passing between Whitehall and India regarding the separation of Burma. Sir, he would not have put to the Honourable the Home Member that question if he had carefully read the speech of the Prime Minister of England—that steps would be immediately taken to determine the conditions subject to which Burma shall be separated from India. That may therefore be one question upon which this House is entitled to be heard. I do not for a moment deny that the Honourable the Mover of this motion and the other Honourable gentlemen who have supported him are equally entitled to ask His Majesty's Government to revise their decision, but let them not forget that they are asking for the revision of a decision and not for the decision of an open question.

Sir Cowasji Jehangir: Question.

Sir Hari Singh Gour: You should have said that in the Round Table Conference, not here. Now, Sir, if we turn to the next point, I think through a sheer piece of sentimentalism Honourable Members on both sides of the House seem to be fascinated with that much abused word "self-determination" and Honourable Members stand up here and say "We must give Burma the same right of self-determination which we, Indians, want in our own country". Sir, if Honourable Members had gone to Burma and if they had made the careful inquiries, which the members of the Simon Commission made there, they would have found there that the opinion in Burma was hopelessly divided upon the question of separation. There was in the first place the Indian feeling which was solidly against separation. There was a bulk of Burmese opinion—such opinion as was given expression to in the evidence before the Simon Commission—which was equally firm in favour of separation. There was the opinion of the British mercantile community. I must inform this House that at the time when this inquiry was proceeding their chief organ the *Rangoon Gazette* wrote strongly against separation. When their representatives came before us and gave evidence, they showed very clearly that they were not quite decided whether they should ask for separation or be against it and it must be said to the credit of the British merchants in Rangoon that they were not then asking for separation because it would serve the interests of the British mercantile community. What they said was, that there was an opinion in that country in favour of separation. There was also an opinion equally strong, perhaps not equally open, against separation. So far as they were concerned, they would not mind if there was separation and they would not mind if there was no separation. That was the opinion of the British merchants at that time. I quite admit that some of the Government members were in favour of separation, and the Burmese witnesses who appeared were also in favour of separation. When they were asked for their reasons for wanting separation, they said that they had three reasons for asking for separation and those three reasons were supported by men in high offices. One of them was that the Indian money-lender, the *chettiar*, goes to Rangoon in very large numbers and charges a very

high rate of interest. The second was that half a million Indian coolies migrate to Burma to take part in the cutting of the paddy and to do other menial labour, and they take away a very large amount of wealth from Burma. The third reason, and a very strong reason which the Government have publicly expressed, is the fact that Burma was not fairly treated by the Government of India, that a very large portion of the revenues of the Government of India was hypothecated for military purposes, and that if Burma was separated from India, Burma stood to gain and not to lose anything by that separation. Those were the reasons given in Burma in favour of separation; but there was an equally strong view expressed against separation. It was said that the defence of Burma was the defence of India, and consequently, with this separation of Burma you would not be able to economise on military expenditure. The second question was, as the Burmese put it: "We people have not got iron and we have not got coal and you have got a protective policy and you are putting protective duties upon iron and steel and other economic products of the country. Burma is suffering for it, and consequently we are made to pay for the pioneering of Indian industries in which Burma has not got a hand." That was the sort of objection raised by the Burmese leaders of opinion. We said, "Look at your rice. Rice would have to go down the depths of the Irrawaddy if India did not buy it. Burma is a fertile country, with only about 14 million population. It requires to be developed, and therefore India is the only nearest country to offer you facilities for internal development". Those were the questions. I am not in a position at the present moment to say that these are not weighty questions. Put all the reasons for separation, put all the reasons against separation, and what will be your verdict? I venture to submit that half of you will say, "We are for separation", and the other half will say, "No separation". I can quite understand, Sir, the reasons for which, after months of inquiry, we came to the conclusion that there should be no separation. But I can equally understand deciding the question either for separation or for no separation after half an hour's somnolent discussion. (Laughter.) That is the position which the Honourable Members are taking. We devoted months of inquiry to it, (Loud Applause), and we came to the conclusion that, on the whole, it would not be in the economic and political and social interests of the country that Burma should be immediately separated from India; and that of course is a question which this House has got to consider, whether,—whether with the constitution of a Federal Government in this country,—the Burmans would still insist upon their separation from India or would rather revise their opinion. Those are not the questions with which we are directly concerned at the present moment; not indeed is this the proper form where they can be profitably debated on this motion, and I am quite sure, Sir, that if these were the only questions, then the Honourable the Mover of the Resolution would not have troubled this House, but what is passing through his mind is this. He says, "It does not matter whether we are in favour of separation or against separation; what we want is the right to a free expression of our opinion, and we do not want to be gagged". That, I submit, is a fundamental right of every human being, and it is for that reason that he wants the concurrence and support of this House; so that the Honourable the Home Member might use his good offices to see that all the harassing pieces of legislation and ordinances and restrictive provisions are so modified or removed that there is not that embargo on the free expression of opinion of which the Honourable the Mover of the Resolution complains; and I think if we confine

[Sir Hari Singh Gour.]

ourselves to supporting his on this ground, we shall certainly stand upon stronger ground than if we digressed into a general discussion whether Burma should or should not be separated.

Sir, some of my Honourable friends said that the Government of India would be guilty of a gross dereliction of duty if they did not tell the people of Burma, "If you want separation, we are for separation". I say, Sir, that the Government of India would be guilty of a gross dereliction of duty if they abandoned the interests of the people of India, who have settled down in Burma, of people who have pioneered and advanced the interests of Burma, and if they were to say to the people of Burma, "Never mind about the people of India, never mind about those commercial interests which have developed and added to the welfare of Burma. If you want separation, we are for separation". I would say, Sir, that I should be very sorry if the Government of India ever took that attitude. If responsibility in the Government exists, it extends equally to the people of India as to the people of Burma, and they have to consider whether the separation of Burma would be conducive to the interests both of India as well as of Burma. A very large amount of debt is due from Burma; that question was raised, and I am quite sure that when the question of

Mr. Jehangir K. Munshi: I rise to a point of order, Sir. The motion has made it clear that the Honourable the Mover does not invite this House to go into the merits—the pros and cons—of the question of separation.

Sir Hari Singh Gour: I do not see any point in the Honourable Member's point of order. All that I beg to say now is that the question of separation cannot be divorced from other considerations, financial and others, which we cannot go into today, and the question that strikes me as pertinent is that if this House is of opinion that the Government of India should permit a free expression of opinion on the question of separation, we should unitedly support the Honourable the Mover of the Resolution, and I venture to submit that that is all the purpose he has in his mind. We are not here committed either to or against separation: that is far too complicated a question, and we cannot possibly here say at once that His Majesty's Government are wrong in ignoring the protests that were made, in declaring for separation. I submit, Sir, that we should confine ourselves to that narrow issue,—that we support the Honourable the Mover of this Resolution and ask the good offices of the Home Member and of the Government of India to permit the free expression of opinion on the question of the separation of Burma from India. (Applause.)

Mr. Arthur Moore (Bengal: European): Sir, I entirely agree with my friend, Mr. Jehangir Munshi, and with my friend, Sir Cowasji Jehangir, that this is purely a question for Burmans to decide. (Hear, hear.) Mr. Munshi made an appeal to us to go into the division lobby with him. Well, Sir, at quarter past four I am quite sure my friend, Sir Hugh Cocke, has no intention of dividing the House on the questions as to whether we should resume the debate on the Finance Bill today, and I doubt very much if the Government have either and therefore I hardly think the question of division is likely to arise. (*Some Honourable Members:* "No Division.") My friend, Mr. Munshi, has asked me to state my opinion. Well, I would like to say that the one thing that appears certain to me—and I do profess to be impartial upon this point because I do not know whether Burma ought to be separated or not, and I have no definite opinion—the one moral that

seems to me to stick out of a mile is the futile results of "non-co-operation". (Hear, hear.) Here you have had the Simon Commission, with the Indian Committee—as my friend, Sir Hari Singh Gour, has explained—spending months in the country going into this question in the greatest detail. Everybody knew that the issue was coming up once for all and yet as I understand, the General Council of Burmese Associations boycotted in the first instance that Commission, and in the second instance the Legislative Council. The result was that the Legislative Council, which is the representative organ of Burmese opinion in Burma, passed a unanimous Resolution in favour of separation. Then the third stage: you had the Round Table Conference in London where the issue was coming up for final settlement. Again the General Council of Burmese Associations boycotted the whole show, and yet they now say, "We are gagged, we are helpless", and they send frantic telegrams after the battle is lost! Now, Sir, what sense is there in that? What sense is there in telling us that they have had no opportunity of expressing an opinion? Why, they have had years in which to express an opinion? The whole argument has been slowly working up to the final stages, and they refuse to have anything to do with it till they are suddenly brought up against the facts.

An Honourable Member: What about the Congress?

Mr. Arthur Moore: Where this advice to boycott at various stages came from I do not know. I do not know whether it came from India or whether it originated in Burma. My friend over there is suggesting that the advice originated in India. But I am quite sure that the final lesson is that this advice was bad. We here, at any rate, have no desire to see the question rushed. The Burmese have got to make it clear whether they want separation or whether they do not, but I would ask this House to remember this very important fact that, whereas from Burma we hear only the voice of separation, the Burmese representatives appear to be against separation. Does not that suggest to us that Burma has already so completely lost interest in this Assembly and in its connection with India that it has not even troubled to send representatives here to voice the view of separation.

Mr. Jehangir K. Munshi: Mr. President, I must rise on a point of accuracy. Myself as well as my two friends, Mr. Tun Aung and U Kyaw Myint, were supported amongst other Parties by the Peoples' Party, which has been for separation.

Mr. Arthur Moore: I know that U Ba Pe represented the Peoples' Party in London and he was very definite for separation. Anyhow, I would appeal that in the later stages of this question, if there are going to be any later stages, we should hear no more of non-co-operation.

Mr. A. H. Ghuznavi (Dacca *cum* Mymensingh: Muhammadan Rural): Mr. President, at this late hour I have no intention of boring the House with a long speech. My only excuse for getting up to speak this afternoon is that I was fortunately or unfortunately a member of the Burma Sub-Committee. The Burmans till the 10th of December said nothing to us when we were attending the Round Table Conference. The first intimation that we got in London was on the 10th of December. The Burmans knew that the Simon Commission had reported that Burma should be separated. They also knew that the Round Table Conference was to

[Mr. A. H. Ghuznavi.]

assemble in London in November and the members were all nominated. Not a word was said to the members that the majority of the Burmans was opposed to separation. Nothing was said to the members or to anybody else. The first telegram that we received was on the 10th of December. All the same I must assure my Honourable friend who represents Burma in this House that we, as delegates, did our level best to protect their interest. Sir, it was on the 1st December that the Committee of the whole Conference assembled in the afternoon. As far as I remember, the question of Burma was not on the agenda paper of that day. After finishing all other matters that were on the agenda paper, the Chairman, the Prime Minister, said that as the question of Burma was very important, he would ask the Burmese delegates to state their case. I must say we were all taken by surprise. None of us went there with our considered opinion to make a speech as to whether we wanted the separation of Burma or not. I asked several of my brother delegates and they too said that they were not prepared for that particular subject on that day. After the speech of the Burmese delegate, Mr. Chintamani got up and opposed the separation. Thereafter, I think it was after about 20 minutes, that the Prime Minister gave his verdict that the House had agreed to the separation of Burma. I think my Honourable friend, Sir Hari Singh Gour, was right when he said that this question of separation of Burma was no longer open. Mr. Shiva Rao raised this question the very same day and on page 186 of the Indian Round Table Conference Report this is what we find:

“Mr. Shiva Rao : Is the question of separation an open one, or . . .

Chairman : No; as I look at it, it is not open.

Mr. Chintamani : It should be open not only to consider the method of separation but whether there should be separation.

Chairman : I have only got eyes and ears for what the Conference says, and I take it that there is an overwhelming opinion in favour of the suggestion made. (Applause.) You see, the applause is all along the line.”

Well, Sir, on the 5th of December, the Sub-Committee sat for the first time on the question of the separation of Burma. My Honourable friend, Mr. Mody, who is not in the House just now, protested against this separation and he wanted to know from the Chairman, the late Earl Russell, whether he could again raise the question in the committee whether Burma should be separated or not. The Chairman ruled him out saying that it did not come within the scope of the Sub-Committee, but he said that he had noted his objection. The note in the proceedings is that he protested, that he wanted the question of separation to be re-opened at the Plenary Session. Thereafter, Sir, not a single day was given to us to re-open that question in the Plenary Session. We were expecting it from day to day, but not a single opportunity was given to us. The last day of the Conference was the 19th January and as my Honourable friend, Sir Cowasji Jehangir said, we had no opportunity of making a statement in this connection at all. Immediately after the speech of the Prime Minister, the Conference was closed. But throughout, the delegates, whenever they had an opportunity, made it clear that if the Burmans did not desire to be separated from India, it was for the Burmans to decide that and not for anyone of us or the Government. With these observations, Sir, I conclude my speech.

Mr. B. R. Puri (West Punjab : Non-Muhammadan) : Sir, whether Burma is separated ultimately or remains part of British India, is a separate matter, but one thing is quite clear, that the Government of India have come out very badly in this picture. The question of the separation of Burma has been before the public for a fairly long time, and if during all this period the Government of India have not been able to make up their minds as to the course they propose to adopt and the attitude they want to maintain in this connection, I think it is a cause for very great regret. I submit, Sir, that the question of separation can be looked at from more than one point of view. The first is that so far as the relation of Burma with India goes, we have all along been comrades during a period of adversity. We have made common sacrifices and we have stood together, and now that we do see that we are on the eve of getting some constitutional reforms, it would be highly unsportsmanlike for us to suggest even for a moment that Burma should be separated. In all fairness to Burma, I think it is their right and privilege to say and it is up to us to concede that now, when the time for some kind of a reward is coming, you should be with us to share it; we should not appropriate the whole of it to ourselves. That is one way of looking at it. The other way and the other view is that if Burma is separated, would she be able to fulfil all the qualifications which a self-governing country must possess? Would Burma be able to defend herself? Would Burma be financially as sound as it would be, if it was part and parcel of this vast country? I submit that even from the Burmans' own point of view, having regard to this aspect of the question, it would be suicidal, so far as the interests of Burmans go, to claim separation from India. The attitude of the Government of India and the Imperial Government towards this question of separation seems to me to be in favour of Burma being separated from India. Various arguments have been put forward and this separation seems to me as if it is being inflicted and imposed upon Burmans whether they wish it or not. It has been suggested and it has been actually put into the heads of Burmans, that their culture, their modes of living, their customs and traditions are all different and so on, that geographically they are situated at a distance, that there is great disparity between the two races, the one dwelling in the Continent of India, and the other separated from it and so on. May I respectfully ask whether this geographical situation has now been created or whether it existed all along; whether these arguments have now for the first time dawned upon those who are in favour of separation? These arguments have existed all along; the disparity in customs, in traditions, culture and modes of living has all along been there. Why have the Government suddenly awakened to this question of Burma being separated on these grounds for the first time? Why so much solicitude, on the part of the Imperial Government, towards the interests of Burma, which they are advocating by seeking its separation from India? I submit, the Government know that if Burma remains part of India, she would naturally share in the constitutional reforms which are conceded to India. But if Burma was separated, then the case of Burma shall have to be treated quite differently. This separation is being inflicted upon Burmans, I submit, with all the resources that are available to a Government. This is a very serious grievance, which has been ventilated by Honourable Members who represent that country; they complain that this separation is being forced upon them, reinforced by all the legislative measures, repressive in character. Attempt has been made to

[Mr. B. R. Puri.]

introduce for the first time in that country the Criminal Law Amendment Act which has been thrown out more than once by the local Legislative Council. Recently we have seen an Ordinance which has come out, Ordinance No. 111 of 1931, which His Excellency the Governor General promulgated only the other day. I wish to say one word in connection with that Ordinance. Some time ago, just one month before this House met on the 14th January, 1931, some time in the month of December, two Ordinances were promulgated by His Excellency the Viceroy. Those Ordinances were issued at a time when the Legislative Assembly was not in session, and His Excellency the Viceroy made this perfectly clear in his speech which he delivered to this House. This is what he said:

"A little less than a month ago, I felt it my duty to have recourse again to the special powers, which I took last year for the better control of the Press and of unauthorised news-sheets and newspapers, and for dealing with persons who may instigate others to refuse the fulfilment of certain lawful obligations. In doing so, I expressed my regret that the urgent nature of the emergency, which necessitated the promulgation of these Ordinances, had not allowed me to await the meeting of the Central Legislature, but I indicated the intention of my Government to bring these matters before this House at the earliest opportunity."

Now, Sir, I submit that it is a great insult to this House, when this Legislative Assembly is actually in session that His Excellency the Viceroy should not have thought it fit to call upon this body to express its own views whether an Ordinance under the circumstances was really called for or not. The argument, if it is a correct argument, led us to the conclusion that His Excellency the Viceroy at that time was forced to promulgate two Ordinances on his own responsibility simply because the Legislative Assembly was not then in session. I say, Sir, that it is hardly fair to this House that an Ordinance of a repressive character, which denies to the people of that country the ordinary procedure and the ordinary privileges to an accused person in a criminal trial under normal conditions, that such a measure should have been promulgated without this House being consulted is a matter of great regret.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): I rise to a point of order. Can the conduct of the Governor General be questioned in this way?

Mr. President: The Standing Order is quite clear on the subject.

Mr. R. K. Shanmukham Chetty: I move that the question be now put.

Mr. President: The question is:

"That the consideration of the Bill be postponed for one day."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 17th March, 1931.

LEGISLATIVE ASSEMBLY.

Tuesday, 17th March, 1931.

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

MEMBER SWORN:

Mr. Rama Shankar Bajpai, O.B.E., M.L.A. (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

EXAMINATION FOR PROMOTION OF POSTAL OFFICIALS.

977. ***Mr. S. C. Mitra:** (a) Is it a fact that Government introduced an examination in the Postal Department for promotion of officials on a time-scale of pay to the lowest selection grade?

(b) Is it a fact that the Director General, Posts and Telegraphs, issued a special general circular, No. 22, dated the 16th October, 1929, containing the rules for the examination?

(c) Is it a fact that the Director General, Posts and Telegraphs, notified in that Circular that all lowest selection grade appointments—temporary, officiating and permanent—would be filled up only by passed officials?

(d) Is it a fact that the Postmaster General, Bengal and Assam Circle, permitted certain unsuccessful candidates to continue to act in the lowest selection grade appointments despite the Director General's distinct circular?

(e) If so, will Government please say whether the Director General, Posts and Telegraphs, withdrew his special general circular No. 22 and issued some other circular in which he directed the Circle officers to extend certain concessions to the unsuccessful candidates?

(f) If so, will Government please quote the number and date of such circular?

(g) Do Government propose to issue immediate orders rescinding the orders of the Postmaster General, Bengal and Assam Circle, and direct him to fill up all lowest selection grade appointments only by passed officials as decided by the Director General, Posts and Telegraphs?

(h) If not, why not?

(i) Is it a fact that, in supersession of the rules contained in the Director General's special general circular No. 22, dated the 16th October, 1929, the Director General issued another special general circular No. 16, dated the 18th August, 1930, in which revised rules governing the examination for promotion to the lowest selection grade were published?

(j) Is it a fact that the Director General notified through this special general circular also that promotion to any of the appointments in the lowest selection grade—officiating, temporary and permanent—will be made only from officials who have passed the lowest selection grade examination?

(k) Is it not a fact that the Postmaster General, Bengal and Assam Circle, promoted Messrs. J. Kelly and Abdul Rahman, two unsuccessful candidates, to the lowest selection grade appointments in the Calcutta General Post Office in the month of November, 1930, i.e., even after the Director General's special general circular No. 16, dated the 18th August, 1930, was published and in contravention of the instructions of the Director General contained in that special general circular?

(l) Are Government prepared to issue orders for the reversion of the unsuccessful candidates and for filling up the lowest selection grade appointments by two senior passed officials?

Mr. J. A. Shillidy: (a), (b) and (c). Yes.

(d) to (h). The facts are not exactly as stated by the Honourable Member. The general rule is as stated by him, viz., that appointments to the lowest selection grade will be made only from those officials who have passed the lowest selection grade examination, but as this examination has been recently introduced and as some of the senior officials who failed to pass the first examination had already worked in the selection grade satisfactorily for a fairly long time, the Director-General decided, with the approval of Government, to treat the cases of such officials with special consideration. General orders on this subject were issued by the Director-General in his letter No. S. A.-250 (8), dated the 21st February, 1930, to the address of all Heads of Circles, along with the publication of the results of the first examination and subsequently he passed orders on the merits of each individual case. It was in accordance with those orders that the Postmaster-General, Bengal and Assam Circle, allowed certain unsuccessful candidates to continue to act in the lowest selection grade. Government are not prepared to rescind those orders.

(i) and (j). Yes.

(k) and (l). Government understand that Messrs. J. Kelly and Abdul Rahman were eligible for confirmation in the lowest selection grade in due course in accordance with the orders of the Director-General referred to in the answer to parts (d) to (h). Government do not intend to revise those orders.

PROMOTION OF CERTAIN POSTAL OFFICIALS.

978. ***Mr. S. C. Mitra:** (a) Is it a fact that the then Deputy Postmaster General, Railway Mail Service, Eastern Circle, nominated Messrs. Suresh Chandra Chakravarty, Phanindranath Sandal and Girija Bhusan Banerji of the now defunct Calcutta Railway Mail Service and permitted them to sit for the examination for recruitment of Inspectors to the Railway Mail Service?

(b) Is it not a fact that the Director General, Posts and Telegraphs, decided that these officials after passing the examination would be eligible for promotion as Inspectors of Railway Mail Service, for which they were nominated?

(c) Is it a fact that the Postmaster General, Bengal and Assam, promoted Messrs. Phanindranath Sandal and Suresh Chandra Chakravarty, two junior officials on time-scale of pay in the Calcutta General Post Office who passed the examination for promotion to the grade of Inspectors of Railway Mail Service, to the lowest selection grade appointments of Supervisors, superseding the claims of all senior selection grade passed officials?

(d) Are Government prepared to issue orders for their transfer to the Railway Mail Service as Inspectors for which they were recruited and for filling up the selection grade appointments of Supervisors in the Calcutta General Post Office by two senior selection grade passed officials?

Mr. J. A. Shillidy: (a) to (d). Government have no information and they do not propose to call for it, as any officer feeling himself aggrieved by any particular appointment may use such remedies as are open to him by way of appeal.

RULES FOR PROMOTION OF POSTAL OFFICIALS.

979. ***Mr. S. C. Mitra:** (a) Is it a fact that Government abolished the examination for recruitment of Inspectors of Post Offices and Head Clerks to the Divisional Superintendents of Post Offices with the introduction of the lowest selection grade examination and decided that all selection grade appointments including those of Inspector of Post Offices and Head Clerks to the Divisional Superintendents of Post Offices would be filled up by selection grade passed officials?

(b) Is it a fact that the Director General, Posts and Telegraphs, issued special general circular No. 16, dated the 18th August, 1930, in supersession of his previous special general circular No. 22, dated the 16th October, 1929, in which revised rules governing the examination for promotion to the lowest selection grade were published?

(c) Is it a fact that the Director General, Posts and Telegraphs, permitted recruitment of 25 per cent. junior officials to appear at the second lowest selection grade examination and decided that these junior officials would be eligible for promotion against a fifth vacancy in the lowest selection grade—officiating, temporary or permanent—in their own cadres?

(d) Are Government aware that the lowest selection grade is confined to the presidency towns, viz., Calcutta, Bombay, Madras and Rangoon? If so, will Government please say whether junior officials recruited in these presidency towns are also eligible for promotion against a fifth vacancy in the lowest selection grade? If the reply be in the affirmative, are Government aware that these junior officials will supersede the senior selection grade passed officials?

(e) Have Government considered the advisability of issuing clear instructions to the Circle officers, so that the interests of these qualified senior officials are duly protected?

Mr. J. A. Shillidy: (a) The fact is substantially as stated by the Honourable Member.

(b) and (c). Yes.

[Mr. A. H. Ghuznavi.]

assemble in London in November and the members were all nominated. Not a word was said to the members that the majority of the Burmans was opposed to separation. Nothing was said to the members or to anybody else. The first telegram that we received was on the 10th of December. All the same I must assure my Honourable friend who represents Burma in this House that we, as delegates, did our level best to protect their interest. Sir, it was on the 1st December that the Committee of the whole Conference assembled in the afternoon. As far as I remember, the question of Burma was not on the agenda paper of that day. After finishing all other matters that were on the agenda paper, the Chairman, the Prime Minister, said that as the question of Burma was very important, he would ask the Burmese delegates to state their case. I must say we were all taken by surprise. None of us went there with our considered opinion to make a speech as to whether we wanted the separation of Burma or not. I asked several of my brother delegates and they too said that they were not prepared for that particular subject on that day. After the speech of the Burmese delegate, Mr. Chintamani got up and opposed the separation. Thereafter, I think it was after about 20 minutes, that the Prime Minister gave his verdict that the House had agreed to the separation of Burma. I think my Honourable friend, Sir Hari Singh Gour, was right when he said that this question of separation of Burma was no longer open. Mr. Shiva Rao raised this question the very same day and on page 186 of the Indian Round Table Conference Report this is what we find:

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Mr. Chintamani : It should be open not only to consider the method of separation but whether there should be separation.

Chairman : I have only got eyes and ears for what the Conference says, and I take it that there is an overwhelming opinion in favour of the suggestion made. (Applause.) You see, the applause is all along the line."

Well, Sir, on the 5th of December, the Sub-Committee sat for the first time on the question of the separation of Burma. My Honourable friend, Mr. Mody, who is not in the House just now, protested against this separation and he wanted to know from the Chairman, the late Earl Russell, whether he could again raise the question in the committee whether Burma should be separated or not. The Chairman ruled him out saying that it did not come within the scope of the Sub-Committee, but he said that he had noted his objection. The note in the proceedings is that he protested, that he wanted the question of separation to be re-opened at the Plenary Session. Thereafter, Sir, not a single day was given to us to re-open that question in the Plenary Session. We were expecting it from day to day, but not a single opportunity was given to us. The last day of the Conference was the 19th January and as my Honourable friend, Sir Cowasji Jehangir said, we had no opportunity of making a statement in this connection at all. Immediately after the speech of the Prime Minister, the Conference was closed. But throughout, the delegates, whenever they had an opportunity, made it clear that if the Burmans did not desire to be separated from India, it was for the Burmans to decide that and not for anyone of us or the Government. With these observations, Sir, I conclude my speech.

Mr. B. R. Puri (West Punjab : Non-Muhammadan) : Sir, whether Burma is separated ultimately or remains part of British India, is a separate matter, but one thing is quite clear, that the Government of India have come out very badly in this picture. The question of the separation of Burma has been before the public for a fairly long time, and if during all this period the Government of India have not been able to make up their minds as to the course they propose to adopt and the attitude they want to maintain in this connection, I think it is a cause for very great regret. I submit, Sir, that the question of separation can be looked at from more than one point of view. The first is that so far as the relation of Burma with India goes, we have all along been comrades during a period of adversity. We have made common sacrifices and we have stood together, and now that we do see that we are on the eve of getting some constitutional reforms, it would be highly unsportsmanlike for us to suggest even for a moment that Burma should be separated. In all fairness to Burma, I think it is their right and privilege to say and it is up to us to concede that now, when the time for some kind of a reward is coming, you should be with us to share it; we should not appropriate the whole of it to ourselves. That is one way of looking at it. The other way and the other view is that if Burma is separated, would she be able to fulfil all the qualifications which a self-governing country must possess? Would Burma be able to defend herself? Would Burma be financially as sound as it would be, if it was part and parcel of this vast country? I submit that even from the Burmans' own point of view, having regard to this aspect of the question, it would be suicidal, so far as the interests of Burmans go, to claim separation from India. The attitude of the Government of India and the Imperial Government towards this question of separation seems to me to be in favour of Burma being separated from India. Various arguments have been put forward and this separation seems to me as if it is being inflicted and imposed upon Burmans whether they wish it or not. It has been suggested and it has been actually put into the heads of Burmans, that their culture, their modes of living, their customs and traditions are all different and so on, that geographically they are situated at a distance, that there is great disparity between the two races, the one dwelling in the Continent of India, and the other separated from it and so on. May I respectfully ask whether this geographical situation has now been created or whether it existed all along; whether these arguments have now for the first time dawned upon those who are in favour of separation? These arguments have existed all along; the disparity in customs, in traditions, culture and modes of living has all along been there. Why have the Government suddenly awakened to this question of Burma being separated on these grounds for the first time? Why so much solicitude, on the part of the Imperial Government, towards the interests of Burma, which they are advocating by seeking its separation from India? I submit, the Government know that if Burma remains part of India, she would naturally share in the constitutional reforms which are conceded to India. But if Burma was separated, then the case of Burma shall have to be treated quite differently. This separation is being inflicted upon Burmans, I submit, with all the resources that are available to a Government. This is a very serious grievance, which has been ventilated by Honourable Members who represent that country; they complain that this separation is being forced upon them, reinforced by all the legislative measures, repressive in character. Attempt has been made to

[Mr. B. R. Puri.]

introduce for the first time in that country the Criminal Law Amendment Act which has been thrown out more than once by the local Legislative Council. Recently we have seen an Ordinance which has come out, Ordinance No. 111 of 1931, which His Excellency the Governor General promulgated only the other day. I wish to say one word in connection with that Ordinance. Some time ago, just one month before this House met on the 14th January, 1931, some time in the month of December, two Ordinances were promulgated by His Excellency the Viceroy. Those Ordinances were issued at a time when the Legislative Assembly was not in session, and His Excellency the Viceroy made this perfectly clear in his speech which he delivered to this House. This is what he said:

"A little less than a month ago, I felt it my duty to have recourse again to the special powers, which I took last year for the better control of the Press and of unauthorised news-sheets and newspapers, and for dealing with persons who may instigate others to refuse the fulfilment of certain lawful obligations. In doing so, I expressed my regret that the urgent nature of the emergency, which necessitated the promulgation of these Ordinances, had not allowed me to await the meeting of the Central Legislature, but I indicated the intention of my Government to bring these matters before this House at the earliest opportunity."

Now, Sir, I submit that it is a great insult to this House, when this Legislative Assembly is actually in session that His Excellency the Viceroy should not have thought it fit to call upon this body to express its own views whether an Ordinance under the circumstances was really called for or not. The argument, if it is a correct argument, led us to the conclusion that His Excellency the Viceroy at that time was forced to promulgate two Ordinances on his own responsibility simply because the Legislative Assembly was not then in session. I say, Sir, that it is hardly fair to this House that an Ordinance of a repressive character, which denies to the people of that country the ordinary procedure and the ordinary privileges to an accused person in a criminal trial under normal conditions, that such a measure should have been promulgated without this House being consulted is a matter of great regret.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): I rise to a point of order. Can the conduct of the Governor General be questioned in this way?

Mr. President: The Standing Order is quite clear on the subject.

Mr. R. K. Shanmukham Chetty: I move that the question be now put.

Mr. President: The question is:

"That the consideration of the Bill be postponed for one day."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 17th March, 1931.

LEGISLATIVE ASSEMBLY.

Tuesday, 17th March, 1931.

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

MEMBER SWORN:

Mr. Rama. Shankar Bajpai, O.B.E., M.L.A. (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

EXAMINATION FOR PROMOTION OF POSTAL OFFICIALS.

977. ***Mr. S. C. Mitra:** (a) Is it a fact that Government introduced an examination in the Postal Department for promotion of officials on a time-scale of pay to the lowest selection grade?

(b) Is it a fact that the Director General, Posts and Telegraphs, issued a special general circular, No. 22, dated the 16th October, 1929, containing the rules for the examination?

(c) Is it a fact that the Director General, Posts and Telegraphs, notified in that Circular that all lowest selection grade appointments—temporary, officiating and permanent—would be filled up only by passed officials?

(d) Is it a fact that the Postmaster General, Bengal and Assam Circle, permitted certain unsuccessful candidates to continue to act in the lowest selection grade appointments despite the Director General's distinct circular?

(e) If so, will Government please say whether the Director General, Posts and Telegraphs, withdrew his special general circular No. 22 and issued some other circular in which he directed the Circle officers to extend certain concessions to the unsuccessful candidates?

(f) If so, will Government please quote the number and date of such circular?

(g) Do Government propose to issue immediate orders rescinding the orders of the Postmaster General, Bengal and Assam Circle, and direct him to fill up all lowest selection grade appointments only by passed officials as decided by the Director General, Posts and Telegraphs?

(h) If not, why not?

(i) Is it a fact that, in supersession of the rules contained in the Director General's special general circular No. 22, dated the 16th October, 1929, the Director General issued another special general circular No. 16, dated the 18th August, 1930, in which revised rules governing the examination for promotion to the lowest selection grade were published?

(j) Is it a fact that the Director General notified through this special general circular also that promotion to any of the appointments in lowest selection grade—officiating, temporary and permanent—will be made only from officials who have passed the lowest selection examination?

(k) Is it not a fact that the Postmaster General, Bengal and A Circle, promoted Messrs. J. Kelly and Abdul Rahman, two unsuccessful candidates, to the lowest selection grade appointments in the Calcutta General Post Office in the month of November, 1930, i.e., even after Director General's special general circular No. 16, dated the 18th August 1930, was published and in contravention of the instructions of the Director General contained in that special general circular?

(l) Are Government prepared to issue orders for the reversion of unsuccessful candidates and for filling up the lowest selection grade appointments by two senior passed officials?

Mr. J. A. Shillidy: (a), (b) and (c). Yes.

(d) to (h). The facts are not exactly as stated by the Honourable Member. The general rule is as stated by him, viz., that appointments to the lowest selection grade will be made only from those officials who have passed the lowest selection grade examination, but as this examination has been recently introduced and as some of the senior officials who failed to pass the first examination had already worked in the selection grade satisfactorily for a fairly long time, the Director-General decided, with the approval of Government, to treat the cases of such officials with special consideration. General orders on this subject were issued by the Director-General in his letter No. S. A.-250 (8), dated the 21st February, 1930, to the address of all Heads of Circles, along with the publication of the results of the first examination and subsequently he passed orders on the merits of each individual case. It was in accordance with those orders that the Postmaster-General, Bengal and Assam Circle, allowed certain unsuccessful candidates to continue to act in the lowest selection grade. Government are not prepared to rescind those orders.

(i) and (j). Yes.

(k) and (l). Government understand that Messrs. J. Kelly and Abdul Rahman were eligible for confirmation in the lowest selection grade in due course in accordance with the orders of the Director-General referred to in the answer to parts (d) to (h). Government do not intend to revise those orders.

PROMOTION OF CERTAIN POSTAL OFFICIALS.

978. ***Mr. S. C. Mitra:** (a) Is it a fact that the then Deputy Postmaster General, Railway Mail Service, Eastern Circle, nominated Messrs. Suresh Chandra Chakravarty, Phanindranath Sandal and Girija Bhusan Banerji of the now defunct Calcutta Railway Mail Service and permitted them to sit for the examination for recruitment of Inspectors to the Railway Mail Service?

(b) Is it not a fact that the Director General, Posts and Telegraphs, decided that these officials after passing the examination would be eligible for promotion as Inspectors of Railway Mail Service, for which they were nominated?

(c) Is it a fact that the Postmaster General, Bengal and Assam, promoted Messrs. Phanindranath Sandal and Suresh Chandra Chakravarty, two junior officials on time-scale of pay in the Calcutta General Post Office who passed the examination for promotion to the grade of Inspectors of Railway Mail Service, to the lowest selection grade appointments of Supervisors, superseding the claims of all senior selection grade passed officials?

(d) Are Government prepared to issue orders for their transfer to the Railway Mail Service as Inspectors for which they were recruited and for filling up the selection grade appointments of Supervisors in the Calcutta General Post Office by two senior selection grade passed officials?

Mr. J. A. Shillidy: (a) to (d). Government have no information and they do not propose to call for it, as any officer feeling himself aggrieved by any particular appointment may use such remedies as are open to him by way of appeal.

RULES FOR PROMOTION OF POSTAL OFFICIALS.

979. ***Mr. S. C. Mitra:** (a) Is it a fact that Government abolished the examination for recruitment of Inspectors of Post Offices and Head Clerks to the Divisional Superintendents of Post Offices with the introduction of the lowest selection grade examination and decided that all selection grade appointments including those of Inspector of Post Offices and Head Clerks to the Divisional Superintendents of Post Offices would be filled up by selection grade passed officials?

(b) Is it a fact that the Director General, Posts and Telegraphs, issued special general circular No. 16, dated the 18th August, 1930, in supersession of his previous special general circular No. 22, dated the 16th October, 1929, in which revised rules governing the examination for promotion to the lowest selection grade were published?

(c) Is it a fact that the Director General, Posts and Telegraphs, permitted recruitment of 25 per cent. junior officials to appear at the second lowest selection grade examination and decided that these junior officials would be eligible for promotion against a fifth vacancy in the lowest selection grade—officiating, temporary or permanent—in their own cadres?

(d) Are Government aware that the lowest selection grade is confined to the presidency towns, viz., Calcutta, Bombay, Madras and Rangoon? If so, will Government please say whether junior officials recruited in these presidency towns are also eligible for promotion against a fifth vacancy in the lowest selection grade? If the reply be in the affirmative, are Government aware that these junior officials will supersede the senior selection grade passed officials?

(e) Have Government considered the advisability of issuing clear instructions to the Circle officers, so that the interests of these qualified senior officials are duly protected?

Mr. J. A. Shillidy: (a) The fact is substantially as stated by the Honourable Member.

(b) and (c). Yes.

(d) Promotion to the lowest selection grade posts in the Presidency towns of Calcutta, Bombay and Madras and Rangoon is confined to the officials of those offices. The reply to the other parts of the question is in the affirmative, but Government do not admit that the senior passed officials have any special claims to hold all selection grade posts.

(e) No, in view of the concluding clause of the reply to (d) above, and because Government approve of the policy of giving accelerated promotion to a limited number of specially qualified and deserving junior officials to selection posts.

RECRUITMENT OF POSTAL OFFICIALS.

980. ***Mr. S. C. Mitra:** (a) Is it a fact that the second selection grade examination was held in December 1930 under the orders of the Director General, Posts and Telegraphs, with a view to recruiting some officials for promotion to the lowest selection grade?

(b) Is it a fact that there are 87 selection grade passed officials in the Calcutta General Post Office still unprovided for?

(c) Is there any likelihood of these officials being provided with selection grade appointments in the year 1931?

(d) If not, will Government please state reasons for holding the second examination for the purpose of recruitment of some more officials for promotion to the lowest selection grade?

Mr. H. A. Sams: (a) Yes.

(b) Government understand that the fact is substantially as stated by the Honourable Member.

(c) Possibly not.

(d) The reasons are stated in my Circular No. 17, dated the 18th August, 1930, a copy of which I am sending to the Honourable Member for his information.

ADDITIONAL POSTAL STAFF RECOMMENDED BY THE PRESIDENCY POSTMASTER, CALCUTTA.

981. ***Mr. S. C. Mitra:** (a) Is it a fact that Government accepted the time-test prepared by Mr. Bewoor for determining the staff of a Post Office?

(b) If so, will Government please state whether they have issued orders for the sanction of the staff justified by the "Bewoor time-test"?

(c) Is it a fact that the Presidency Postmaster, Calcutta, submitted to the Postmaster General, Bengal and Assam, several proposals for entertainment of additional staff, both supervisory and operative, justified by the "Bewoor time-test"?

(d) If so, will Government please state whether the Postmaster General, Bengal and Assam, has accorded sanction?

(e) If not, when is it expected?

Mr. J. A. Shillidy: (a) Yes.

(b) Orders have been issued to the effect that, when the requisite statistics have been compiled and the circumstances of individual offices examined as indicated in the Report, steps should be taken to effect appropriate revisions of staff where this has been shown to be necessary, prior attention being given to those offices in which the shortage of staff is most obvious. But no such revision will be possible while the present financial stringency continues.

(c), (d) and (e). Government have no information, but presume that the Postmaster-General is taking action in accordance with the orders issued.

UTILISATION OF SERVICES OF RESERVE CLERKS IN THE CALCUTTA GENERAL POST OFFICE.

982. ***Mr. S. C. Mitra:** (a) Is it a fact that the reserve clerks were entertained in the Postal Department to act only in the leave vacancies of clerks?

(b) Are Government aware that the reserve clerks of the Calcutta General Post Office were directed to act as auxiliaries in the Parcel, Registration and Letter Sorting Departments of the Calcutta General Post Office?

(c) Are Government aware that many clerks of the Calcutta General Post Office and its town sub-offices did not get leave during the period these reserve clerks worked in those Departments of the General Post Office as auxiliaries?

(d) Will Government please say whether the Postmaster General, Bengal and Assam, was empowered to utilise their services in other ways than that for which they were entertained?

(e) If not, will Government please say why the Postmaster General, Bengal and Assam, acted in contravention of the Government's orders on the subject?

(f) Do Government propose to issue orders for the proper utilisation of the services of these reserve clerks?

Mr. H. A. Sams: (a) A reserve of clerks is entertained to take the place of clerks absent on leave. When one of the reserve of clerks is not working for an absentee he is employed in assisting the regular staff.

(b) and (c). Enquiries are being made.

(d) to (f). Do not arise at present.

ARRANGEMENTS FOR DISPOSAL OF THE INWARD FOREIGN MAIL AT THE CALCUTTA GENERAL POST OFFICE.

983. ***Mr. S. C. Mitra:** (a) Is it a fact that Government sanctioned over-time allowance for the staff engaged in disposing of the inward foreign mail in Calcutta?

(b) Is it a fact that Government issued orders to the effect that staff engaged would get over-time allowance on condition that they must work for three hours and the mail must be disposed of within that period?

(c) Is it a fact that the imperial mail train carrying inward foreign mail was timed to arrive at the Howrah station at about 3 A.M. when the system of disposal of the mail at the Calcutta General Post Office was first introduced and delivery issued at 6 A.M.?

(d) Is it a fact that the imperial mail train now arrives at Howrah station at about 1 A.M. and delivery is made at 6 A.M.?

(e) Is it a fact that Government empowered the Presidency Postmaster, Calcutta, to decide the staff according to the volume of the mail and to select the staff?

(f) If so, will Government please state the formula by applying which the staff is to be engaged by the Presidency Postmaster, Calcutta?

(g) Are Government aware that the Postmaster General, Bengal and Assam, has reduced the staff to half?

(h) If so, will Government please say whether they have withdrawn their orders permitting the Presidency Postmaster, Calcutta, to decide and select the staff?

(i) If not, will Government please state the reason why the Postmaster General, Bengal and Assam, reduced the staff referred to above by half?

(j) Are Government aware that clerks are now compelled to work for more than five hours in place of three hours fixed by Government?

(k) Will Government please lay on the table a statement showing the number of bags received and the staff engaged when the system was first introduced and those received and the staff engaged now?

(l) Do Government propose to issue orders to appoint staff according to the formula sanctioned by Government and to see that the staff are not overworked and detained beyond the prescribed hours and delivery is not delayed?

Mr. H. A. Sams: (a) Yes.

(b) and (c). No.

(d) The time of arrival of the Imperial Indian mail train at Howrah normally depends on the time of its departure from Bombay, and this again is dependent on the time of arrival of the P. & O. mail steamer at Bombay. When the steamer arrives by 6-0 A.M. on Friday and the Imperial Indian mail train can leave Bombay at 11-0 A.M., the train is due to arrive at Howrah at about 1-0 A.M. on Sunday and the delivery of the foreign mail is made from the Calcutta General Post Office at about 6-0 A.M.

(e) The responsibility of deciding the number of staff to be employed on overtime was left to the Presidency Postmaster, who was to be guided by the volume of mails to be disposed of and by the accepted standards for the employment of overtime staff.

(f) A statement is being furnished to the Honourable Member separately.

(g) to (i). The Postmaster-General, to whom the Presidency Postmaster is subordinate, was instructed by the Director-General to make a thorough investigation into the system of employment of overtime staff in the Calcutta General Post Office, as it appeared that in many cases there were good grounds for doubting the admissibility of overtime pay with reference to the strict terms of the Government sanction. The final Report of the Postmaster-General is awaited.

(j) The hours of overtime duty have not been fixed by Government.

(k) The information, so far as it may be available, is being collected and will be communicated to the Honourable Member separately.

(l) Does not arise in view of the replies to parts (e) and (g) to (i).

APPOINTMENT OF SIKHS TO THE CIVIL AVIATION OFFICE.

984. *Sardar Sant Singh: (a) Will Government be pleased to state, after referring to the answer given to question No. 583, dated the 17th September, 1928, what steps have been taken since that date to remove the grievances of the Sikhs in the Civil Aviation Office? Has any Sikh been taken since then? If so, how many? If not, why not? How many vacancies occurred since that date? How many applicants were Sikhs? What is the proportional strength of the Sikhs in this particular service?

(b) Is it a fact that from 1st April, 1931, six appointments have been sanctioned in the Upper Division and eight in the Second Division in the Civil Aviation Office? Will Government state if in making these appointments Sikhs' interest would be taken into consideration, so that Sikh representation is brought to the level of other communities?

(c) How many men have been confirmed in this office since the 20th September, 1928? Was there any Sikh amongst them?

Mr. J. A. Shillidy: (a) and (c). Government are not aware of such a grievance. For five permanent posts which have been filled in the office since the 20th September, 1928, there was only one Sikh applicant, who subsequently withdrew his application. One Sikh is also holding a temporary post of assistant in that office.

(b) Five posts of assistants and eight of clerks have recently been sanctioned, and the question of securing a fair representation of the minority communities will, as usual, be considered in filling these posts.

APPOINTMENT OF SIKHS TO THE RAILWAY BOARD'S OFFICE.

985. *Sardar Sant Singh: (a) Will Government please refer to the reply given to question No. 560, dated the 17th September, 1929, and state the percentage of Sikhs in the Railway Board as it stood on the 1st February, 1931? If there is again a decrease in the percentage, what are the reasons for that and is that in accordance with the Home Department's orders issued in 1926?

(b) Since the answer referred to above was given what endeavours have been made to increase the number of Sikhs in that Office? If nothing has been done, is that the declared policy of the Railway Board towards this minority community and is it their intention to ignore the rights of the Sikhs altogether?

(c) How many vacancies on the permanent cadre of the Railway Board occurred during 1929 and 1930, and who were confirmed in those and why was no Sikh so confirmed? What are the qualifications of all these men and were they qualified by the Public Service Commission or recruited directly?

(d) How many temporary and leave vacancies occurred during the same period and how many of them were given to Sikhs, Hindus and Muhammadans? What are the names and qualifications of all these men and how were they recruited, i.e., whether through the Public Service Commission or directly?

(e) Of the men taken under part (d) above, who were confirmed later on and who are continuing still and how many of them are Sikhs?

(f) Why were the Sikhs, if there were any, not also retained or confirmed in the Railway Board? What were the qualifications of these Sikhs?

(g) In view of the assurance given by the Honourable Sir George Rainy on the 25th February, 1931, do Government propose to take steps to recruit Sikhs in future vacancies in order to give them their due share and to bring up the percentage? If not, why not?

Mr. A. A. L. Parsons: (a) The percentage of Sikhs on 1st February, 1931, was 2.5 and there has been no decrease.

(b) and (g). The claims of Sikhs as of other communities for a share in the recruitment to the ministerial staff of the Railway Board are and will be considered.

(c) No confirmations of the clerical staff were made during 1929 or 1930.

Two stenographers were confirmed in 1929, one of whom is a Sikh.

(d) As the office has a leave reserve, no appointments are made against leave vacancies.

44 men have been appointed from time to time against temporary vacancies, the communal composition being:

Hindus	24
Sikhs	3
Muhammadans	8

None of these has been confirmed.

They were recruited as follows:

By the Public Service Commission	3
From Railways and other offices	12
From outside sources	29

(e) None.

(f) Of the three Sikhs mentioned one was discharged due to return of men from deputation: One was transferred to the Home Department, and one has been transferred to the Controller of Railway Accounts where he has been since confirmed.

APPOINTMENT OF SIKH ENGINEERS IN THE PUNJAB PUBLIC WORKS DEPARTMENT.

986. *Sardar Sant Singh: (a) Is it a fact that out of a total number of 32 I. S. E. in the Building and Roads Section of the Punjab Public Works Department there are only three Sikhs?

(b) How many appointments have been made to this service since 1928 and why has no Sikh been taken in order to give them their legitimate share in this service?

(c) In view of the great paucity of Sikhs in this service, do Government propose to take a sufficient number of Sikhs as a result of this year's examination?

Mr. J. A. Shillidy: (a) The total number of Indian Service of Engineers officers in the Buildings and Roads Branch of the Punjab Public Works Department is now 28; of these 15 are Europeans and 13 Indians including 3 Sikh officers.

(b) and (c). As a result of the recommendations of the Lee Commission, recruitment to the Service in the Buildings and Roads Branch has been discontinued. Local Governments are empowered to create their own provincial services in the place of the Indian Service of Engineers in that branch and make recruitment thereto.

APPOINTMENT OF SIKHS TO THE INDIAN SERVICE OF RAILWAY ENGINEERS.

987. *Sardar Sant Singh: (a) How many appointments in the Indian Service of Railway Engineers have been reserved for redressing the communal inequalities during this year?

(b) Is it a fact that there are only three Sikhs in that service out of 216?

(c) If the reply to part (b) be in the affirmative, what steps do Government propose to take in order to bring in the required number of Sikhs in this service?

Mr. A. A. L. Parsons: (a) Three appointments have been reserved for the redress, so far as may be necessary, of marked communal inequalities.

(b) There are 5 Sikhs at present in the Indian Railway Service of Engineers out of a total of 218 appointments.

(c) The claims of qualified candidates of the Sikh community will be considered along with those of other minority communities, with due regard to the extent of the representation of each such community in the service, when selections are made to fill vacancies reserved for rectifying marked communal inequalities.

ABSENCE OF HONEYCOMB BRICKWORK IN NEW "D" CLASS QUARTERS IN NEW DELHI.

988. *Sardar Sant Singh: (a) Is it a fact that in the newly-built 'D' type orthodox quarters, the honeycomb brick work in the bath rooms does not exist? If so, why?

(b) If the reply to the above is in the affirmative, how long do Government propose to take to replace the honeycomb brick work of the old 'D' type orthodox quarters of New Delhi and thereby protect the occupants from cold draughts?

Mr. J. A. Shillidy: (a) Yes. Windows have been provided in place of honeycomb brickwork in the new 'D' class orthodox clerks' quarters in view of the demand for the abolition of such brickwork, and of the fact that windows in the new quarters can be provided without increasing capital expenditure.

(b) The attention of the Honourable Member is invited to the reply given by Sir Bhupendra Nath Mitra in the Legislative Assembly on the 21st March, 1927, to question No. 209.

APPOINTMENT OF MUSLIMS ON THE NORTH WESTERN RAILWAY.

989. *Khan Bahadur Haji Wajihuddin: (a) With reference to the reply given by Government to question No. 186, asked by Mr. Muhammad Anwar-ul-Azim on the 29th January, 1931, will Government be pleased to state:

- (i) if the North Western Railway authorities have satisfied themselves as to whether, according to statistics, the Muslims or non-Muslims preponderate in the subordinate services of that Railway, and if so,
- (ii) what practical measures they have taken, as required by Government policy to prevent the preponderance of any one community by the recruitment of the members of the minority community?

(b) How many Muslims belonging to the North West Frontier Province have been admitted by the Department for training and subsequent recruitment in various branches of the Railway services during the last three years?

Mr. A. A. L. Parsons: (a) (i). The North Western Railway maintain statistics showing the communal composition of (a) the total staff, and (b) the subordinate staff on scales of pay rising to Rs. 250 and over. According to these statistics, on the 1st April, 1930, Muslims were represented to the extent of 56.7 per cent. in the total staff and 12.3 per cent. in the senior subordinate grades. The question whether further statistics are necessary is under consideration.

(ii) The measures recently adopted and the further action contemplated on all railways generally and on State Railways in particular to give full effect to the policy of Government are described in the Railway Board's Memorandum on the representation of Muslims in the railway services, copies of which have been supplied to Honourable Members. Since then an officer has been placed on special duty to assist Railway Administrations in promoting the recruitment of members of minority communities.

(b) Government regret that they cannot undertake to collect or supply statistics relating to the recruitment and training of Muslims belonging to a particular province.

DISMISSAL OF A CLERK FROM THE PESHAWAR TREASURY.

990. *Khan Bahadur Haji Wajihuddin: (a) Are Government aware that one Arbab Juma Khan, a clerk who served in the Peshawar Treasury, has been dismissed from the service on a charge that he failed to pay the arrears of land revenue?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state if non-payment of land revenue is a disqualification for Government service and it constitutes an offence embodied in Government Servants' Conduct Rules justifying dismissal of a Government servant?

(c) If the reply to part (b) above be in the negative, do Government propose to have inquiries made as to the justification of dismissal of the clerk on the charge mentioned in part (a)?

Mr. J. G. Acheson: The information has been called for from the local authorities and will be supplied to the Honourable Member in due course.

RESTORATION TO MUSLIMS OF LAND NEAR THE KACHERY MOSQUE IN PESHAWAR CANTONMENT.

991. *Khan Bahadur Haji Wajihuddin: (a) Will Government be pleased to state if it is a fact that:

- (i) in 1926 a special committee appointed by the Cantonment authority of Peshawar recommended that the part of the Kachery Mosque land in Peshawar Cantonment used for the dumping of manure should be cleaned, planted with grass and leased in perpetuity to the Muslims;
- (ii) the Cantonment authority accepted the recommendation; and
- (iii) the land was subsequently taken possession of by the Military authority and included in the District Headquarter's garden?

(b) If replies to the above questions be in the affirmative, will Government be pleased to state if the land has since been restored to the Muslims as recommended by the special committee? If not, why not?

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

(b) The Honourable Member is referred to the answer given on the 30th January, 1929, to Haji Chaudhury Muhammad Ismail Khan's starred question No. 282. As I stated then, the difficulty of handing over the land is that there is no public body in Peshawar which represents the wishes and views of the Muslim community as a whole, and would be acceptable to the whole community as the tenant of the site.

ACCIDENTS CAUSED BY MILITARY LORRIES IN PESHAWAR CANTONMENT.

992. *Khan Bahadur Haji Wajihuddin: (a) Will Government be pleased to state the number of deaths in Peshawar Cantonment caused by over-running of military six-wheeler lorries during the past five months?

(b) What were the causes of the accidents; what punishment was awarded to the drivers for negligence and harsh driving and what compensation was given to the heirs of the deceased?

(c) How many of the drivers were British, and how many Indian soldiers accused of rash driving?

(d) What precautions have been taken to avoid recurrence of similar acts of carelessness?

(e) Are Government aware that the traffic of Government lorries is prohibited on the Mall and other connected roads and is limited to the roads particularly frequented by the Indian public? If so, why?

(f) Do Government propose to have an unfrequented road reserved for military lorry traffic in Peshawar Cantonment? If not, why not?

Mr. G. M. Young: I have called for the information and will communicate with the Honourable Member when it is received.

NOMINATION OF INDIAN MEMBERS TO THE PESHAWAR CANTONMENT BOARD.

993. *Khan Bahadur Haji Wajihuddin: (a) Are Government aware that:

- (i) a record exists in the offices of the Executive Officer, and Officer Commanding, Peshawar Cantonment, showing that in 1923 the practice in vogue was for the Cantonment authority to consult the local Hindu and Muslim bodies in respect of nomination of Indian members to serve on the Cantonment Board of Peshawar;
- (ii) the present Indian member was nominated after actually consulting the local Hindu Sabha and Muslim Association in 1923; and
- (iii) the practice mentioned at parts (i) and (ii) above was not followed in 1924?

(b) If replies to the above questions be in the affirmative, will Government be pleased to state why the usage consistent with the wishes of the Muslim public was abandoned when nominations were made in 1924, 1927, and 1931?

Mr. G. M. Young: I have made enquiries and will inform the Honourable Member in due course.

PROTESTS AGAINST THE NOMINATION OF A MEMBER TO THE PESHAWAR CANTONMENT BOARD.

994. *Khan Bahadur Haji Wajihuddin: (a) With reference to the reply given by Government to question No. 524 asked by Mr. Muhammad Ismail Khan on the 16th September 1929, will Government be pleased to state if it is a fact that:

- (1) the following protests and representations against the nomination of the present Muslim member of the Peshawar Cantonment Board have been received by the authorities mentioned below:
 - (i) Muslim Association's resolution dated the 3rd August, 1924, to the General Officer Commanding, Peshawar District,
 - (ii) Muslim Association's letter dated the 3rd August, 1924, to the Revenue Commissioner, North-West Frontier Province, Peshawar,
 - (iii) Muslim Association's representation dated the 2nd June, 1927, to the Honourable the Chief Commissioner, North-West Frontier Province, Peshawar,
 - (iv) Muslim Association's letter No. 40, dated the 2nd June, 1927, to the President, Cantonment Board;
 - (v) Muslim Association's resolution dated 26th August, 1928, to the Honourable the Chief Commissioner and General Officer Commanding;
 - (vi) Muslim Association's letter No. 262, dated 3rd July, 1930, to the Honourable the Chief Commissioner, and the General Officer Commanding-in-Chief, Northern Command, Rawalpindi,

(vii) Muslim Association's letter No. 664, dated 28th August, 1930, to the Honourable the Chief Commissioner, General Officer Commanding-in-Chief, Northern Command, and Government of India, Army Department;

(2) in spite of the above-mentioned protests the present member has again been nominated by the local Cantonment authority for a third time as a representative of the Muslim community?

(b) If replies to the above questions be in the affirmative, will Government be pleased to state:

- (i) why repeated protests made by the community against the monopoly of nomination maintained by one person for a considerable number of years were not given due consideration; and
- (ii) for what special consideration particular wishes of the Muslim public have not been acceded to so far, by allowing the present member to monopolize the office indefinitely?

Mr. G. M. Young: (a) Government are prepared to take the facts as stated by the Honourable Member. They have seen one of the resolutions referred to.

(b) The power of nomination is vested in the Local Administration, with whose discretion the Government of India do not propose to interfere. They understand that the Association referred to in the first part of the question does not represent the Muslim community of Peshawar as a whole.

INVESTIGATION AND PROMOTION OF FISHERIES.

995. *Mr. B. N. Misra: (a) Will Government be pleased to state:

- (1) the extent of the sea coast of British India extending over (i) Bombay, (ii) Madras, (iii) Orissa, (iv) Bengal, and (v) Assam, respectively; and
- (2) the number of (i) lakes, (ii) bays, and (iii) indentions, together with the coastal extent of each in British India?

(b) Will Government be pleased to state if they have considered the advisability of establishing a research institute for investigating the complex problems of fisheries which will encourage and improve the revenue of the Provinces?

(c) If the answer to the above question is in the negative, are Government prepared to consult the Local Governments to establish a research institute in the near future?

(d) If the answer to part (c) is in the negative, why not?

Mr. A. A. L. Parsons (on behalf of the Honourable Sir George Rainy): Sir, the Honourable the Commerce Member who is still indisposed has asked me to reply for him.

(a) (1) The approximate lengths of coast line are as follows:

	Miles.
(i) Bombay	785
(ii) Madras	1,350
(iii) Orissa	240
(iv) Bengal	540

Assam has no coast line.

(2) The compilation of this information would entail an amount of labour which would be incommensurate with its value when compiled.

(b) No.

(c) No.

(d) As "Fisheries" is a provincial transferred subject, the development of fisheries is primarily the concern of the Local Governments. Should the Local Governments consider that the establishment of a Central Research Institute would assist in the development of fisheries, they will doubtless address the Government of India.

APPOINTMENT OF CLERKS IN THE OFFICE OF THE CONTROLLER OF PURCHASE,
INDIAN STORES DEPARTMENT, KARACHI.

996. *Sardar G. N. Mujumdar (on behalf of Seth Haji Abdoola Haroon):

(a) Will Government be pleased to state the total number of senior and junior clerks appointed in the office of the Controller of Purchase, Indian Stores Department, Karachi, after the transfer of Mr. G. T. Thadhani to that Circle?

(b) How many Muslim senior and junior clerks were appointed?

(c) Is it a fact that the vacancies allotted to the Karachi Circle from time to time were never advertised in the local papers? If not, why not?

(d) Will Government be pleased to state the total number of senior and junior clerks made permanent during the period Mr. Thadhani has been acting as Controller of Purchase?

(e) How many Muslim clerks were made permanent during the same period?

(f) Is it a fact that there is a G. R. according to which an officer of the superior service cannot remain in one station for more than three years?

(g) If so, what are the reasons for retaining Mr. Thadhani in Karachi for about five years?

(h) Will Government be pleased to state the total number of officers of all grades and clerks working at the Headquarters Section and Purchase Section of the Karachi Indian Stores Department? How many of them are Hindus and how many Muslims and how many of other communities?

Mr. J. A. Shillidy: (a) Senior clerks—3.

Junior clerks—11.

(b) Senior clerks—Nil.

Junior clerks—4.

(c) Yes, because a very large number of applications from qualified candidates were received without incurring any expenditure on advertising.

(d) Senior clerks—3.

Junior clerks—5.

(e) None. I may explain in this connection that temporary clerks were confirmed strictly in accordance with seniority, when the temporary appointments held by them were placed on a permanent footing. The majority of the permanent clerks were appointed to the posts in which they were confirmed before Mr. Thadhani took over charge of the Circle.

(f) No.

(g) Does not arise.

(h) Two officers from the general Purchase Cadre of the Indian Stores Department are usually employed at Karachi. Both of them happen to be Hindus at present, but one will shortly be replaced by a Muslim.

The office is divided into six sections and the strength of each section is as follows:

Direction Section—1 Hindu.

Accounts Section—1 Hindu.

Indent Section—(8 Hindus, 2 Muhammadans, 1 Parsi).

Typing Section—3 Hindus and 1 Muhammadan.

Despatch Section—2 Hindus.

Stenographer—1 Hindu.

Mr. C. S. Ranga Iyer: Sir, I have arranged with the Honourable the Home Member for putting the question* tomorrow, and with your permission, I would like to postpone it till then.

ELECTION OF MEMBERS TO THE PUBLIC ACCOUNTS
COMMITTEE.

Mr. President: I have to inform the House that the following Members have been elected to the Public Accounts Committee, namely:

1. Mr. S. C. Mitra.
2. Kunwar Hajee Ismail Ali Khan.
3. Sardar Sant Singh.
4. Mr. T. N. Ramakrishna Reddi.
5. Mr. B. Das.
6. Mr. Abdul Matin Chaudhury.
7. Rao Bahadur M. C. Rajah.
8. Mr. Muhammad Anwar-ul-Azim.

ELECTION OF MEMBERS TO THE GOVERNING BODY OF THE
IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH.

Mr. President: I have to inform the House that Maulvi Muhammad Shafee Daoodi and Mr. Hari Raj Swarup have been elected to sit on the Governing Body of the Imperial Council of Agricultural Research.

*Short Notice question regarding the Release of Political Prisoners.

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

Mr. President: Members will now proceed to elect two members to sit on the Governing Body of the Indian Research Fund Association. There are 6 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 SALT (ADDITIONAL IMPORT DUTY) BILL.

The Honourable Sir George Schuster (Finance Member): Sir, I move for leave to introduce a Bill to impose a temporary additional duty of customs on foreign salt.

I do not propose to anticipate what I may have to say in the discussion on the further stages of this Bill, but there are one or two things which I think it necessary to refer to at this stage. Honourable Members will see that the Report of the Committee of the Legislative Assembly on this question is not entirely unanimous, so that one must recognise that there is a certain amount of controversy on this subject. From the Government point of view, I would say that our action in this respect represents an attempt to practise the very difficult art of responsiveness, which we are often asked to practise by Honourable Members opposite. We took the course of putting ourselves in the hands of a Committee of the Legislative Assembly in this matter, and having taken that course, we propose to follow it out and to act on the recommendation of the majority of the Committee and take full responsibility for that action.

There are three points on which I would like to give explanations now, because from some of the comments that have appeared in the Press there seems to be some misunderstanding about these particular points. I would point out that clause 5 of the Bill provides for the exemption of salt produced in India from these new additional duties which are now proposed, and that the term "India" includes Aden, for in that respect we are acting on the recommendation of the Tariff Board. I would further point out that clause 5, and particularly sub-clause (2) of that clause, has been so worded as to secure that Indian salt shall enjoy its exemption from the additional duties from the very start and that the admission to this concession should not be delayed pending the framing of rules under clause 6 and subsequent correspondence with the producers. Lastly, I would point out that, although clause 3 of the Bill imposing an additional duty of customs on foreign imported salt refers only to ports in British India, the effect of section 5 of the Indian Tariff Act will be to impose the additional duty also on salt imported by land from French or Portuguese India.

That is all that I need say about the Bill as it stands, which should be read together with the Report of the Committee of this Assembly. I should like to add a word about the application of the proceeds of this additional duty. It is no part of the intention of the Government to use this measure to benefit general revenues by a back door. The Committee

has made certain recommendations as regards the application of the proceeds, and it would be our intention to adopt the procedure of bringing forward a Resolution before the Assembly laying down what the method of application should be. In taking that course, we should be following the precedent of the Road Fund, where, after the duty had been imposed in the Finance Bill, the late Member for Industries and Labour, Sir Bhupendra Nath Mitra, put a Resolution before the Assembly as to the application of the proceeds at the following Simla Session. That is the course which we propose to follow in this case. The drafting of the Resolution is a matter of some complication, and we certainly could not undertake it until we have had an expression of the views of this House on the recommendations of the Committee. Therefore, there will not be time to deal with it this Session.

Finally, I wish to take this first opportunity to make a statement on a certain personal matter. In one of the minutes of dissent there are certain remarks which might be taken as criticisms of a very distinguished public man, who has rendered very great service to the Government in connection with this business. I refer to Sir Chunilal Mehta, who acted as Chairman of the Salt Survey Committee which was appointed by the Government of India in accordance with the recommendation of the Tariff Board. In one of the minutes of dissent, the following passage occurs:

"I do not know what led Government to select Sir Chunilal Mehta for this inquiry; if I may say so, he was coming to the work with preconceived ideas. As Chairman of the Conference of Salt Producers held in Bombay on the 23rd September last, he had sent a telegram to the Government of India, urging emergency action on the lines of the recommendations of the Tariff Board in the interests of the Aden manufacturers among others. It would have been much better if the inquiry had been entrusted to some one who was not committed in advance to an acceptance of the Tariff Board's proposals."

Now, as far as that sentence is a criticism of the Government, I am perfectly prepared to deal with it and shall deal with it in the course of further debate if the matter is pursued. But I cannot allow that statement to stand in so far as it represents any sort of criticism of Sir Chunilal Mehta. Sir Chunilal Mehta was appointed as Chairman of the Salt Survey Committee several weeks before he was invited to preside over the Conference of Salt Producers in Bombay. They approached him to preside at that Conference and he informed them that he was going to be Chairman of the Salt Survey Committee and that he had no interest whatever in the salt trade. Nevertheless, they pressed him to preside, and he wrote at once to one of the members of the Central Board of Revenue, who replied to him that the opportunity of meeting the salt manufacturers in conference was very fortunate and that he trusted that Sir Chunilal Mehta would be able to obtain much useful information from them. So that, in presiding over that Conference, he was acting after full consultation with Government and acting in accordance with the wishes of the Government. In fact, we thought that it was a most business-like procedure that he should get into touch with them as that would help him very much in the work that he was asked to perform. In opening the Conference, he used the following words:

"I am much obliged to you for asking me to preside at the deliberations of your Conference. I am neither a producer myself nor have I any interest in the salt trade. I presume that I have been asked in view of the inquiries which the Government of India has decided to make on the question of supply of salt to this country by India."

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herself. I take this as an earnest of your intention to help the inquiry in every way you can, and I am grateful to you for the same. I have of course at the moment neither the knowledge nor the desire to give any guidance in your deliberations, but I welcome this opportunity of hearing the views of the manufacturers. I am sure they will be of great assistance to my Committee."

I think it will be apparent from that, that Sir Chunilal Mehta has acted with complete propriety throughout. If there is any criticism to be made on the Government—which I entirely repudiate—that, I say, is a matter which can be dealt with later. I adhere to the opinion that Sir Chunilal Mehta was the best man that we could have got to preside over this inquiry and the work that he has done has fully justified us in our selection. Sir, I must apologise to the House for taking some time in making that explanation, but the gentleman to whom I have referred has felt the implied aspersion somewhat keenly and I felt that it was my duty to take the very first opportunity of giving prominence to the real facts of the case. Sir, I move.

The motion was adopted.

The Honourable Sir George Schuster: Sir, I introduce the Bill.

THE INDIAN FINANCE BILL—contd.

Mr. President: The House will now proceed with the further consideration of the Finance Bill.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muham madan Rural): Sir, education is no doubt a transferred subject, but for three reasons which I am going to mention just now, I would like to discuss the matter here in the Assembly. My first reason is—I am strongly of opinion that the Government of India ought to give some money for primary and other forms of education. The Hartog Committee, which was an auxiliary committee to the Statutory Commission, strongly recommended that the Central Government ought to finance for the introduction of compulsory primary education. Sir, in every country, the money realised by taxes is spent for the growth and spread of education. In England the Central Government collects all the taxes and the local authorities collect the taxes. The Central Government pay not less than half of the expenditure incurred by the Local Education Authority. I think, Sir, it is the legitimate charge on the taxes realised by the Central Government and I think we ought to set aside some funds for the spread of primary education.

My second reason is that we are now introducing a lower franchise. We are discussing the question of adult suffrage and it is impossible to lower the franchise or to have universal voting unless compulsory primary education is introduced and voters become literate; and in this connection I give an illustration which happened in my own case. A voter came to the polling officer and the polling officer asked him for whom he wanted to vote. He said with clasped hands that he would vote for any person whom the polling officer would suggest. The polling officer pressed him to mention a name. The voter replied, "You put down your own name". If you really want adult franchise to be a reality, it is absolutely necessary that we

should introduce compulsory primary education in order to make voters literate. It is, Sir, impossible to introduce compulsion unless the Government of India who realise the money from the taxes, finance the provinces.

My third reason for discussing here the transferred subject is that in all countries where education is a transferred subject—for instance Germany—the principles are discussed at the Central Legislature, because at the Central Legislature we have got the representatives of all provinces who have the experience of the successes and the failures of the various measures tried in their respective provinces. Sir, here alone we can discuss the measures that have been adopted by different provinces and decide the manner in which we can introduce compulsory primary education. For these three reasons I take the liberty to discuss a few aspects of education. The first point I take up is the question of primary education. Primary education, as I just now mentioned, is no longer a luxury. It has become a necessity on account of the fact that we are introducing a lower franchise, and may possibly agree to adult suffrage. Sir, at present there is an enormous amount of illiteracy in the country, only 7·2 out of 100 can read and write, and if we do not take special steps and if the present rate of progress continues, it will take 150 years to attain the percentage of 80 which is supposed to be the percentage of literacy in civilised countries. This figure was challenged by Sir Philip Hartog, the President of the Auxiliary Committee, and I worked out the figures again and come to the conclusion that, with the present rate of expansion, it is impossible to introduce literacy in India within 150 years, and therefore special measures have to be adopted in order to make this country literate in the near future. For this reason I think that exceptional measures should be devised. The Imperial Government should come to the aid of the provinces and give grants to Provincial Governments for mass education. In England special measures are taken to finance the education of necessitous areas and we think it desirable, in the interests of British India as a whole, that similar means should be adopted in this country. The recurring cost of introducing compulsion in primary education has been calculated in several provinces, notably in Madras, Bengal, the United Provinces, and for India as a whole by the Hartog Committee, but there is one common mistake which was made in every case. I should like the mistake to be rectified. That is in calculating the cost per head on primary education at every place, they found out the figure by dividing the total expenditure by the total number of students now present in the primary schools, and by this method the cost of education was calculated to be Rs. 8 per head per annum. In every case it was admitted that the present schools are sufficient to take in a certain number of additional pupils without increasing the present cost and, therefore, really speaking, the true cost ought to be calculated not by dividing it by the present number, but by dividing it by the number, which the present schools can teach. If we divide it by this figure, then the cost per head will be reduced to Rs. 5 per head and not Rs. 8 per head. This is a thing which we ought to rectify and we ought to make our calculations on this basis. Sir, the Hartog Committee have urged that, in order to introduce compulsory primary education, we need a recurring expenditure of 20 crores of rupees every year. I calculated the figures roughly and I came to the conclusion that we require less than half of this amount, that is about 9 crores. We want 2 crores to introduce compulsory education in the case of boys and about 7 crores to introduce compulsory education in the

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case of girls and I will give you these figures presently. There are two other items on account of which it is possible to economise expenditure still further. We should have about half the number of the primary schools of the old Indian type which are called *maktabs* and *pathshalas*. These schools are quite good from the point of view of language instruction and the great advantage is that the cost of education is less than half of the cost per head in the ordinary primary schools. The cost of education will be reduced by one-fifth. The second item on account of which it is quite possible to have economy is, to reduce the period of compulsory education, at least for the present, from 5 to 4 years; and there is a bulk of evidence in proof of this fact, that in four years permanent literacy could be achieved. As to the point whether we could reduce the period from five to four years, I spent a good deal of time in inspecting primary schools in various places, and I came to the conclusion that though 5 years are certainly better than 4 years, and 6 years are certainly better than 5 years, in order to start a scheme of compulsion at a minimum cost, it would be better to begin with 4 years' programme.

The Revd. J. C. Chatterjee: May I ask the Honourable Member whether he could tell us whether he saw any country where the term of years for compulsory education is so low as 4 years? Is there any country that the Honourable gentleman visited where the period of compulsory education is only 4 years?

Dr. Ziauddin Ahmad: The period of compulsory education in England and Germany is eight years. In France it is seven. England is contemplating to raise it by one year. But, Sir, the period of compulsion was only four years when they first passed their Compulsory Primary Education Act in 1870. The duration of compulsion increases with our experience and with the resources of the country. (*An Honourable Member:* "In Bavaria it is four years".) In every country the compulsory period of instruction at the commencement was on a lower scale and they gradually increased it according to the resources of the country. We begin with the minimum period necessary to secure permanent literacy and the Hartog Committee was also of opinion that four years were sufficient. That is not a very important point; what I wanted to say was that, if the above two measures were adopted, then a further reduction could possibly be made. Sir, according to the figures given by Sir Phillip Hartog, there are 17 million boys of school-going age. Out of these, as it is universally maintained, we can never bring more than 80 per cent. of the children to our schools; then, we have to cater for about 14½ million boys, out of which 7½ million are already receiving instruction in the schools: so, really speaking, we have to provide for 7 million more. Now the Hartog Committee also maintained that out of this number—7½ million—we can put in 3 million more in the existing schools without incurring any additional charge. Therefore really we have to provide for the remaining 4 million boys, and the cost at the rate of Rs. 5 per head comes to Rs. 2 crores. So this is the money which is required in order to have compulsory primary education among the boys in the whole of British India. Now in the case of girls the figures are slightly worse, that is, out of 14½ million girls who are available for instruction out of which only 80 per cent. or 11½ million can be brought to schools, we have got only 1½ million already in our schools; then, we have to cater for the remaining 13 million girls. Now we know that in most villages we have got common instruction for both boys and girls up to the age of ten, and if we take it for granted that half of the girls may be taught in the

ordinary schools where the cost of education will be Rs. 5 and that the other half may be taught in separate girls' schools where the cost of education may be Rs. 8, then, calculating both these figures, we come to Rs. 8½ crores for compulsory primary education among the girls. Further reduction is possible if we adopt the two measures I have just described. We need 10½ crores and possibly less to introduce free compulsory education in the whole of British India. I know that the country is quite prepared to pay for the cost, provided they are satisfied on two points. I followed the discussion in the United Provinces, in Bengal and elsewhere. There are two fundamental points on which the public would like to be satisfied before they vote for new taxation. In the first place, we are not satisfied with the present administration of the Director of Public Instruction's office. We believe that a good deal of money is being wasted on costly buildings and in maintaining unnecessary staff. Therefore, it is very desirable that economy should be made, and we should fall back upon very modest buildings suitable to village life and have very modest staff. The people want a special committee to look after the proper utilization of special taxes for primary education, because they feel that if the whole amount is credited to general education funds, then a good morsel will be spent on inspection, direction and other administration and little will be left for the real object of providing primary education. The second thing we want to be satisfied on is that there should be a syllabus which may be quite in keeping with the requirements of villagers. We are not satisfied with the present syllabus, which does not take into account the real needs of the village boys, because after receiving education in the present schools, boys have a tendency to give up the profession of their forefathers, that is, agriculture, and shift to the industrial towns and to hanker after some kind of service and make the difficult problem of town life more difficult. When we are satisfied over these two points, and if the Government of India also contribute some money, it is quite possible that the Provincial Governments will come forward with additional taxation in order to enforce compulsory primary education.

Sir, another point which I should like to bring to your notice is the mischievous policy which the Government have adopted about secondary education. We all know that in secondary education lies the centre of gravity of the whole system. It affects primary education on the one side and higher education on the other. If you ask me what is the central point of English education, I have no hesitation in saying that this is the public schools in England. If you ask me which is the most important institution in France, I have no hesitation in saying that this is the Lycee. And if you ask me which is the centre of the German system of education, I shall have no hesitation in saying that this is the Gymnasium. And if you ask me what is the most defective part in the Indian system of education, I will have to say that this is the High Schools. They have no policy, no traditions, and no attractive courses of instruction. The policy, the administration, the courses of instruction and manner of teaching require radical change. But unfortunately there are very few persons who advocate the promotion of secondary education. Sir, this policy of secondary education was first laid down by the Hunter Commission of 1882, and it was reiterated by Lord Curzon in his education policy of 1904 and again reiterated by the Government of India in 1913. This policy is that the Government, as a model, should maintain one High School in every district and leave the people of the country to establish their own High Schools, and the Government should help, or speaking more correctly, should put on their brakes under the

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excuse of grants, recognition and inspection and so forth. Sir, recognition and inspection are not carried on for the benefit of the people, but they are used to curb the efforts made by the people for the spread of secondary education. Sir, there are, I say, very strong objections to this system. One effect of this policy has been that secondary education is restricted to the richer classes. Those who are rich and can afford to pay at least half of the maintenance cost of secondary education get entitled to receive secondary education, and the rich class of people get richer. Secondary education is not given to persons who really need it, but to persons who have got plenty of money to enjoy as a luxury. Now the second defect in this policy is that these high schools are concentrated in the big towns; the big villages and smaller towns are left out. If the thing had been done properly, then probably there would have been a fair distribution throughout the country. My third objection to this principle is that the high schools are very stereotyped. One school is a model of the other, and there is no originality in instruction. We all condemn the present system of secondary education in India, and if we investigate the matter closely, we will find that the secondary schools are the root cause of our evils. They have got no variation in teaching, no educational experiments are performed, and the routine instruction is repeated day after day in the same manner as was done in the previous years.

Sir, I now come to the most important of our evils and which is really the root cause of all our political differences. At present we are complaining about the separatist policy and about communalism and so on, but I would remind the House that the seed of all these things is sown by the policy of the secondary education devised and practised by the Government. In this connection I may be permitted to read a certain passage. Before I do so, I may just mention that the provision of secondary education was not considered in England to be the duty of the State till 1902. In Germany and in France, however, the Government of the country were responsible directly for the secondary education of the people from the very outset. France at one time went one step further. She had State monopoly and did not permit for half a century any aided High School. In England secondary education was left to the effort of the people, but before the war and most prominently after the war she has changed her policy and, in England also the State has now recognised its duty to look after the secondary education and to provide as many High Schools as may be required for the people. The following is the passage I wished to quote:

"In India the State should consider the provision of proper education for the people in all stages as one of its established duties and then most of the existing educational and communal troubles will come to an end. It is the common experience of India as well as of all Western countries that educational institutions not maintained by the State are mostly denominational. In England schools were first established by religious organisations and a conscience clause was added afterwards. Every community in India will be compelled (as we are being compelled now) to set up its own organisation for collecting funds and to run its own educational machinery by holding conferences and organising committees and sub-committees. This will naturally lead every community in India to organise its own cultural societies and enlist volunteers or militia for the collection of funds for educational and other philanthropic purposes. A demand for cultural autonomy on the lines of the modern Central European States will be irresistible. The autonomy granted by the Estonian Government to various nationals inhabiting the country is considered by the Germans to be an ideal one. Every community will become an *imperium in imperio*, and its organisations in highly developed forms will retard national growth. The State responsibility of all forms of education, as in most countries in the West, is the only solution of the difficulty."

Maulvi Muhammad Yakub: What book is that from which you have quoted?

Dr. Ziauddin Ahmad: That is a quotation from my own book entitled "Systems of education in England, France and Germany".

Sir, if we wish to form a real nationalism in this country, it is of utmost importance that we should revise the educational policy. Let the State take the entire responsibility of education and leave the people to carry on in exceptional cases a few experimental schools here and there. The State may support financially such measures. But if this policy of State responsibility is not adopted, and if every community is going to organise its own system of education, then I do not see how you can avoid, for instance, the demand of the Mussalmans and other classes for separation of funds for their schools and colleges. They would naturally demand that these funds should be regulated by the Muslim Members of the Legislature or by special societies of the Mussalmans. I do not see how you can refuse that demand. So, either the State should take the responsibility of the entire education and thus do away with these communal disputes in India or we will have to set aside educational funds for every community who will organise their own schools and colleges on the lines of German schools in Zeecho-Slovakia and ultimately have our own Departments of Education. We will not have to fight for a few posts, but we will have to fight for the separation of funds and separation of departments. The demand will be that our share of funds be entrusted to us and their division be according to our wishes. Now, this is the thing which would be unavoidable unless we change our policy of education, and the State should boldly undertake the State responsibility for education.

Sir, so far I have dealt with the expenditure. Now I will take up the third point, which will involve the curtailment of expenditure. I strongly advocate that the Advisory Committees which we have established in the provinces, the Central Advisory Committee which we have established in England, the advisers to the Indian students whom we are now maintaining in University towns, should all be abolished, not because they are useless, but because they are positively harmful. I have not come across a single Indian student, either in England or in India, who told me that he got admission and facilities on account of the help given to him by the Central Advisory Committee in London or the Advisory Committees in the provinces. I have however met a number of Indian students who have told me that, in spite of the opposition of the Advisory Committees, they have managed to secure admission in various Universities. So, if this is the case, I wonder why we are maintaining such a costly system and why we should pay for an organisation which, instead of being useful to Indian students, is proving to be positively dangerous. I think therefore that it is very desirable that all the expenditure that we are now incurring on these Advisory Committees should be done away with. If the Honourable the Finance Member decides finally to appoint a Retrenchment Committee, then I will certainly submit a note to this Committee to the effect that their first axe should fall on these Advisory Committees in the provinces and the Central Advisory Committee in England and the advisers of the Indian students. I had thought, Sir, that a time comes in every man's life when he is left to himself, and certainly such

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a time comes to a student when he goes to the British Universities. But our Indian students are watched very carefully. They are policed even in British Universities, in Oxford, Cambridge and other Universities. Now, if we abolish the Advisory Committees, it is very desirable that we should institute some kind of Information Bureau to supply information to Indian students about the Universities in the United Kingdom and about the Universities abroad. For this purpose I would very strongly recommend that the Government of India should establish an Advisory Committee with a Bureau of Information as recommended by the Hartog Committee. Now, this is exceedingly important. Every country in the world has got an Information Bureau which supplies information regarding the facilities provided in other countries for the benefit of the students. It is proving very useful in every country, and I would very strongly recommend that the establishment of the Bureau should be taken up immediately. Then there are some very important works which this Bureau ought to do. The first work which the Bureau may take upon itself immediately is to supply information about the foreign Universities to the Indian students. The Provincial Advisory Committees are now supposed to do this work. The Secretary of the Provincial Advisory Committee is supposed to supply such information, but he himself is ignorant of foreign Universities, and the work is really left undone. The Central Bureau can do the work more efficiently than the Provincial Secretaries can. The information may be supplied to the students through the Principals of the Colleges, the Vice-Chancellors of the Universities. Then the Bureau can also supply the necessary information to the British Universities, because for want of such information the present rules of British Universities for the recognition of Indian degrees and diplomas are very inconsistent. This is a point which I discussed last time about the inconsistency, and I do not like to take it up again in detail on the present occasion. The trouble that has recently arisen in connection with the recognition of Indian Universities by the General Medical Council would have been avoided if a central authority like the proposed Bureau of Information had supplied the useful and necessary information to the British Universities in time. It was pointed out to us that they took the action on account of the fact that information which they wanted to have was not supplied by the Indian Universities.

The information which is now supplied to the Indian students about foreign Universities outside Great Britain is very poor. On account of insufficient information about foreign countries, students unnecessarily waste their time. Provisions are made in other countries to supply information, and the lack of such organisation in India is very deplorable. Officials connected with the Students Advisory Committee in London keep themselves in touch with the British Universities, but their knowledge about the Indian Universities and other foreign Universities is out of date. The Advisory Board of Education, of which the Bureau of Information will be a branch, will be expected to do very useful work in this direction which at present is left undone. There is at present a standing charge against the Indian Government that they do not help like other countries in carrying on new educational experiments. They have done some work in agricultural research. Our training colleges and our teachers are ignorant

of the latest theories, our system is stereotyped and the Government of India is the best agency for carrying on the educational experiments. Perhaps an Advisory Board will be the best Agency for carrying on educational experiments.

Sir, on this occasion, I should like to mention, and I am sure Honourable Members will not believe me, but they will have to believe, because it is a fact. In the Training Colleges in India, the history of education is taught only up to the period of 1870 and all the improvements, all the discoveries and all the new methods that had been introduced in the world during the last fifty years have not yet found a place in the Training Colleges in India. It is on account of this reason that the Retrenchment Committee of Bengal definitely suggested that all the Training Colleges should be abolished, because they were perfectly useless. Of course I very much sympathise with their suggestion. I should not advocate that they should be abolished, but I should certainly advocate that their courses of instruction should be modified and the latest improvements in educational methods ought to be made known to the students, and the students of the Training Colleges should be made familiar with them. The Board will have another function allied to the new educational experiments, that is, it will publish pamphlets on special topics. I do not want to dilate on the other important functions, because I have formally communicated them to the Secretary of the Education Department and I hope he will have time to consider all the arguments that I have brought forward for the establishment of a Board at an early date.

Sir, the other point I should like to take up about education, is the technical education which I believe is one of the most important features. I am not sure whether the fullest meaning and purport of technical education have really been understood. I believe technical education, as is taught and as is professed to be taught, is very poor and it is really a deception. Sir, after the war, technical education has been made compulsory in Germany. In England they have established special types of schools, called the Central Schools, and in all the Central Schools, technical subjects form an important part of general curriculum. It is a recognised fact that technical education gives as much mental training as the teaching of history or geography, and really the old distinctions between the technical and liberal subjects are now being removed and replaced by humanistic and realistic subjects. I therefore submit that technical education should form a compulsory part of the programme of every Middle School, every High School and every College.

The other thing to which I would like to draw the attention of the House is that we send out a large number of our students to Europe, but unfortunately they do not get any opportunity for practical training. Of course, no doubt the High Commissioner sometimes succeeds in arranging for the practical training of a few students on the payment of a high premium, which very few students can afford. The present method adopted is not conducive to proper training of students. Therefore, what I strongly advocate, and it is the only satisfactory way of securing practical training for Indian students, is the method which Japan and other countries adopted in the early years of their industrial development. Factories are always willing to teach the use of machinery purchased from them. The Government of India, the Local Governments, the Ruling Chiefs and private individuals who purchase machinery from Europe and America in

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large quantities should make up their mind not to place any order until the factories are prepared to teach the use of this machinery to at least two Indian students. To this they must necessarily agree. If they do not, they cannot sell their machinery. If Indian Engineers trained at home or abroad are carefully selected without any regard to sectarian or provincial considerations, they will be able to see and learn much more than the mere use of machinery. The High Commissioner for India gives large orders on behalf of the Government of India. He should purchase only from such firms as are willing to take Indians as apprentices for practical work. Unless the High Commissioner for India and the Indian industrial magnates come forward and help in the practical training of Indian youths, mere opening of technical institutions and mere awarding of scholarships will not substantially promote the industrial development of India. As in other countries, industrial development depends upon the genuine co-operation between Government, the capitalists and the educationists. Therefore, Sir, I would like to advocate very strongly that in the Annual Report published by the High Commissioner a special Chapter should be devoted to giving the names of students and the names of firms who give facilities to Indian students for practical training in the use of machinery. Unless special instruction is given, I am afraid that the mere institution of a few scholarships will not really advance technical education.

Before I finish this aspect, I should like to emphasise one thing on this point. In many countries technical education is maintained by the funds realised from Customs and taxes. In Switzerland, as the Honourable the Finance Member will know, the Central Government has got only one source of revenue and that is the Customs. Even taxes are left to their Provincial Governments. From the Customs they maintain a whole series of technical educational schools in the country. There, they realise that the maintenance of technical institutions and technical colleges is a necessary charge on the funds of the country. Therefore, I think that there is another point on which the Government of India ought to support the Provinces.

The next thing I should like to touch upon—and on this I would have liked to have a full dress debate, but I cannot do so at the short time at my disposal—is the subject of the competitive system of examination. I entirely agree that for every appointment you must have the best man; I entirely agree that for every appointment, you must have the most efficient persons, but I strongly protest and I challenge the point that the most able and the most competent man can be selected by what is known as the competitive system of examination. This is a point on which I should like to dwell briefly.

An Honourable Member: Abolish then the Public Services Commission.

Dr. Ziauddin Ahmad: I will just come to it. Of course in India, the administration is not new. The Brahmins and the old Indians had been carrying on their administration for a long time. Many other countries are carrying on their administration in their own way, but the recruitment of Civil and Military Officers by the system of a competitive examination was first devised by England and unfortunately copied by India. Not only

the system of competitive examination, but the whole system of examinations is really the great mischievous part in the British programme of education, and I wish they had not been adopted at all. Sir, you cannot judge by any system of competitive examination, and I challenge anybody to devise an examination by which human intelligence, character, honesty, self-reliance, sound judgment, common sense and resourcefulness, moral courage, and ability to lead and guide may be judged. These are the essential qualifications from the point of view of administrative officers. Yet none of these qualities can be judged by means of competitive examinations. Sir, there is a great difference between a test in a class room and a test for the selection of candidates. In class examination you only judge whether the candidate knows the subjects taught by his teachers, you really test his knowledge. In the case of recruitment for public services, you test his capacity and his ability to do certain work. In case of a candidate for service these are the more important qualities than his knowledge of facts. Really speaking, we do not want so much to see whether a person knows more about Geography, or whether he is able to work out more exercises in Geometry, or write better essays in English, or can solve some mathematical problems or repeat some classical quotations, as we want to know how far he is capable of discharging the duties of the post for which he is recruited. Sir, the point that I wish to emphasise to say is, it is scientifically impossible to determine order of merit in any examination by adding the marks which candidates have obtained in a series of papers scattered over different subjects. This particular question was scientifically discussed by Professor Edgeworth, and his researches led to the conclusion that in every examination there are certain errors—of course the word 'error' is a mathematical term—there are certain mistakes which are quite unavoidable even if the examiner be the most conscientious and the most honest person. Every person has got a certain human weakness, and there are certain mistakes which are unavoidable. These mistakes have been given a technical term, and they are called errors due to perception, the taste of the examiners or their idiosyncracies, difference in scale and the errors due to fatigue. This question was discussed by the Calcutta University Commission in greater detail and the results are published in the sixth Volume of its Report. Sir, I cannot discuss the details of these errors, but I will illustrate only one of these errors, that is, the perception of the examiner; and for this I will just quote an example of the difference of perception 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 fair-play 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 difference of perception of the examiners. Now, this question was investigated recently by Mr. Kuppuswami of Trivandram, his statistics are published in the *Hindu*, dated the 21st December, 1930. He gave the same paper to 46 different examiners and the marks awarded by

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examiners ranged all the way from 9 to 37. I think it is very desirable that more experiments should be carried on, and more statistics should be collected. So, Sir, the aggregate amount of all these four errors has been actually calculated by Professor Edgeworth and the actual amount is 7.5 per cent. This means that if a candidate has obtained 100 marks in any examination, his true marks may have been either 107.5 or 92.5, because within the limits of 92.5 and 107.5 it is impossible to judge the order of merit. The candidate who obtained 92 marks may be better than the candidate who obtained 107 marks. The one may have been profitously and the other may have been adversely affected by unavoidable examination errors. The determination of the order of merit by the total of marks is just equivalent to a toss. There is so much diversity in the system of marking that it is impossible to put down the order of merit and it is impossible to find the ablest and most efficient candidate by means of competitive examinations. Therefore this is a system which ought to be carefully looked into. We on this side have always opposed competitive examinations, but we do not oppose them on the ground that we do not want the best men or the most efficient men, but on the ground that by means of this method you really cannot pick up the best men required for the purpose. In the first place the order of merit is only a question of luck. Besides there are so many important qualities and qualifications which really cannot be judged by means of competitive examinations.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): Then what do you propose to substitute for it?

Dr. Ziauddin Ahmad: My Honourable friend asks me what is the substitute. We know that England is not the only country which selects candidates for public services. The selection method is followed in Germany; it is followed in France; it is followed in other countries; but to my mind, considering all the circumstances of the case, the method adopted by France is really the least objectionable. I should like to have a full-dress debate on this point, but I will take some other opportunity to explain this in greater detail. Now, Sir, I will leave the subject of education at this stage and will go on to the important subject of finance.

My first objection is to the new method which the Finance Department has adopted in including the figures of treasure in the imports. If I sell any article to England and they pay me in money for the article which I sell them, then naturally they will pay either in the shape of gold or silver, in the shape of bank notes or in the shape of other articles. If the money which I receive for the sale of my article is given to me in the shape of treasure, it is certainly not an import, but it is the price of the article which I sold. Therefore in the calculation of the figures of import, the figures of treasure ought to be excluded. We ought to take up only the figures of merchandise, whether private or of Government, and we should determine the balance of trade by the excess of export of merchandise over its import. The mistake in the statistics of our sea-borne trade ought to be rectified, and I am glad to see that the Report published by the Controller of the Currency makes the distinction clear. It gives the balance of trade in merchandise separately, then the total visible balance of trade in which treasure is taken into consideration, and then the total visible balance of

accounts obtained by allowing the demand made by England. I think this is the real method in which the statistics of the sea-borne trade ought to be published. These statistics are given on page 48 of this Report of the Controller of the Currency. The point which I now take up is the question of the exchange ratio of 1/6. I do not want in this case to begin from its early history. I do not like to follow the example of the German philosopher who began his address on the history of philosophy by discussing whether Adam was or was not a philosopher. So I will not take you to a very remote period, but I will just refer to the recommendations of the Fowler Committee in 1898. Our exchange policy was really fixed from that time, and until the outbreak of the war we have been following the policy recommended by the Fowler Committee. That was a very prosperous period from the point of view of Indian finance. Here sovereigns were made legal tender and the current coin ratio between the rupee and the pound was Rs. 15 and a gold sovereign was considered to be as good as a paper currency note. These notes were easily available and always interchangeable. The balance of trade at this time was always in favour of India and from the financial point of view our position was very prosperous. During this period of prosperity India absorbed £8.8 millions of gold in 1911-12, £11.1 millions of gold in 1912-13, and £12 millions worth of gold in 1914. And had the war not broken out and had she continued the absorption of gold in the same ratio, we would long ago have been in a position to introduce a gold currency in the whole of India, because we require only 103 million worth of sovereigns in order to have a gold currency in this country. Had this ratio been continued, then probably we would have stocked gold by this time valued at over £400 millions. During this period the exchange ratio remained pretty steady and it never went below 1s. 8 29/32d. and it never rose above 1.4½d. It varied between these very narrow limits always and India had always the best of it. From the point of view of trade, it was also a very prosperous period when we always had a net balance of trade of exports over imports of about 52.2 millions. This balance was spent in paying Indian liabilities in England amounting to about £.25 millions and in the purchase of gold and silver for the payment of our exports. Then came the war and the Government wanted silver and gold for war purposes; they gathered all they could get hold of and introduced paper rupees. The Government began to collect all the gold and silver coins and the people became sceptical and persons who had some treasure with them buried it with the object of using it later on during adverse times. During the war the currency in India remained more stable than the currency of any other country, because we had a very prosperous period during the preceding 19 years. After the war, England along with other countries was in financial embarrassment and England wanted to use India's resources to solve her financial problems. They appointed a committee under the Chairmanship of Sir Babington Smith. Its recommendations were intended not so much for the benefit of India as for the benefit of England. Out of eleven members there was only one Indian, Mr. Dalal, and he wrote a note of dissent; and the policy he laid down is recognised even today as the most suitable and sound policy for India. I will just read one or two of his recommendations. He said:

“(a) The money standard in India should remain unaltered; that is, the standard of the sovereign and gold mohurs with rupees related thereto at the ratio of 15 to 1:

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(b) Free and unfettered imports and exports by the public of gold bullion and gold coins.

(c) Free and unfettered imports and exports by the public of silver bullion and silver coins.

(d) The gold mint at Bombay to be continued and to receive gold bullion from the public and to coin free of charge gold mohurs of the same exact weight and fineness as the sovereign."

(k) Government to sell Council Bills by competitive tenders for the amount defined in the Budget as required to be remitted to the Secretary of State. . . . Council Bills to be sold for Government requirements only.

(l) 'Reverse' drafts on London to be sold only at 1s. 3 29/32d."

These are the recommendations of Mr. Dalal and everybody today would admit that his proposals were very sane, and had they been followed, our financial position would have very much improved. While the Committee was sitting, the Government by executive action raised the exchange ratio. On the 12th April 1918 it was raised to 1s. 6d. On the 30th May 1919 it was raised to 1s. 8d. On the 12th August to 2s., on the 22nd November, to 2-2d. On the 12th December, 2-4d. And they even went so far as to sell Reverse Council Bills introduced in February, 1920, at 2s. 10 27/32d. That is the record figure at which they sold their Reverse Council Bills.

What were the reasons for all these things? At that time England had to pay gold to America in order to stabilise her own coin. They adopted a very clever policy, and though I do not speak with authority, I was given to understand by persons who understand finance that the Government decided to take gold from India by persuasive methods; and if persuasive methods failed then they would adopt other methods in order to collect sufficient gold in India to pay to America; they adopted a device which proved exceedingly successful; they lowered the exchange ratio to 2s. and they gave out that after a certain date the value of the sovereign would only be Rs. 10. On this most of the Ruling Chiefs and persons who had hoarded their sovereigns during the war found that the value of the sovereign would soon be reduced to ten rupees and thought it was much better to part with them for Rs. 15; and so a large number of sovereigns were sold to the Government at the price of Rs. 15 in the expectation that after a few months their price would come down to Rs. 10. Owing to this ill-advised policy of the Government, the whole trade was upset and the whole of the exchange policy was upset and commercial and financial difficulties ensued. Automatically the exchange ratio, instead of rising, came down to about 1s. 3d. and the Ruling Chiefs were very much annoyed when they saw that the sovereign, instead of going down to Rs. 10, went up to Rs. 16 and Rs. 18 and they thought they were shabbily treated by the Government. Government realised this position, and found that by the lowering of the exchange ratio, imports were falling rapidly, and on this account unemployment was increasing at home; and therefore they had no alternative but to increase the ratio again to 1-6d. This they did for two reasons: to please the Ruling Chiefs on one side and to solve the unemployment problem in England on the other side. They then appointed the Hilton Young Commission, which recommended just as we expected. I will just quote one or two of their recommendations. They

recommended that the legal tender quality of the sovereign and half-sovereign should be removed, that is, the sovereign and half-sovereign should not be recognised as legal tender. Next, the paper currency should cease to be convertible by law into silver coin. Next, the one rupee notes should be reintroduced and should be full legal tender. The next recommendation was that the stabilisation should be effected forthwith at a rate corresponding to the exchange ratio of 18d. Sir Purshotamdas Thakurdas who was also a member of this Committee wrote a strong note of dissent and he ended his note with this passage.

"The facts and figures that I have stated, and the records from which I have quoted, conclusively show that the Executive had made up their minds to work up to a 1s. 6d. ratio long before this Commission was appointed to examine the question. Indeed, they have presented to us the issue in this regard as a *fait accompli*, achieved by them, not having hesitated by manipulation to keep up the rate even while we were in Session. I cannot conceive of any parallel to such a procedure in any country."

And about the exchange ratio he said:

"A ratio moreover that stood for 20 years even during the American crisis, till 1917, and was only disturbed as a result of the War, in common with the ratios of other countries in the world, cannot lightly be said to be a ratio that is unnatural to the Indian currency system. No change is therefore called for simply because for the last ten months the Government of India have managed by artificial measures to keep the value of the rupee round about 1s. 6d."

This was the opinion of the non-official Member of the Committee.

Now, Sir, I come to the debate on the 7th March, 1927, on this particular topic. Sir Basil Blackett on page 1748 of the printed debates, when introducing the Bill, clearly stated that it was a transitional measure, and that it was not fixed for ever. His first argument was that Government as currency authority could not leave the matter to the play of the natural forces which must fix some ratio. Should we leave it at 2s. as it was then prevalent? That is the ratio must be *de facto* and not artificial. This was the argument he used. He forgot that what he called the *de facto* ratio was the ratio introduced by himself.

The next argument which he used, and which I call a theoretical platitude, because it is not a convincing one, was this:

"There would be a sharp rise in prices all round, a rise of approximately 12½ per cent., the greater part of which would naturally take place at once. There would be labour unrest and social and economic discontent all over India. What answer could the Government and the Legislature give to bankrupt merchants and traders whose misfortunes were entirely due to their action? What answer could the Government and the Legislature give to wage-earners, industrial, agricultural and commercial, whose real wages had been suddenly and arbitrarily reduced?"

I call this only a theoretical platitude. Pandit Madan Mohan Malaviya replied in an equal strain, and which I also call a theoretical platitude, by giving a quotation from Mr. Dadabhoi. Sir, I do not want to go into these platitudes, but four years have now passed away, and we can now examine the effects. We were promised by the Finance Member in 1927 that with the change in the ratio the agricultural condition of the people would improve. Now, Sir, I ask you, have these conditions improved? We were promised the improvement of industrial conditions? I ask you, have these conditions improved? Now, when we look into our imports and exports, we find that certainly our exports have gone from bad to worse.

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Sir, one very important argument that was brought forward on that occasion was the argument by Sir Victor Sassoon, and he gave in his illustration the example of the cotton duties. He said that it is perfectly true that out of Rs. 100 worth of cotton an agriculturist has to pay Rs. 22 for freight and 60 per cent. for production and the profit of other persons. Then the present profit to the cultivator is only Rs. 18. If the exchange ratio be 1s. 4d. and if the ratio be increased from 1s. 4d. to 1s. 6d., it really means that his profit will be reduced from 18 per cent. to 5½ per cent., because the remaining 12½ per cent. will go in the exchange ratio. This was pointed out four years ago, and we are in the same position today. But, Sir, really the income of the cultivator has diminished. The other industry which is hit very hard is the industry of hides and skins which I will take up later on. Sir, as I said, we were promised agricultural prosperity, but we are not having it. We were promised industrial prosperity, but we find that the mills are closing down every day. I should like to know which of these things in India has prospered on account of the rise in the exchange duty.

Sir, India is a debtor country. We have to pay a certain amount every year in England for our obligations and unless there is a clear balance of trade in our favour it is impossible for us to pay all our obligations and therefore the balance of trade must always be kept in favour of India. Sir, the Honourable the Finance Member may possibly say that the present dullness in the trade is due to world conditions. He may also tell us that it is due to internal troubles in India. I agree that both these things have really played some part in the general condition of the country, but certainly they are not the most important part, because we find that the general depression in India began long before the world depression began, our internal troubles were increased and augmented on account of the financial policy of the Government of India. I am given to understand by several important merchants that they were sick of the financial policy of the Government of India, and on account of the constant troubles they had lent their support to all the things that have happened in this country during the last few months. Sir, one important effect of our exchange policy has been a fall in export. I will give the House now the export figures for the last three years since we introduced the exchange ratio of 1s. 6d., that is, our export was then 319 crores 15 lakhs; it fell to 310 crores, and now in the coming year it is not likely to improve. Sir, if any one asks me whether it is profitable or not to have an exchange ratio of 1s. 6d., I would put to him this simple question of arithmetic. We all agree that on account of the 1s. 6d. ratio we gain 12½ per cent. on all the articles we purchase and we lose 12½ per cent. on all the articles which we sell. I think this is a fact which nobody can dispute for a moment. Now let us see how the balance stands. You take up the difference between the two. If we sell more than we purchase, then we are losers at the rate of 12½ per cent. on the balance. If we buy more than we sell, we are gainers by 12½ per cent. We find really speaking that the balance of trade is in favour of India, that is, we are selling more than we are purchasing: 81 crores was the balance of trade in 1927-28, 86 crores in 1928-29 and 79 crores in 1929-30. Now the total during the last three years of the difference of exports over the imports is 247 crores of rupees. Therefore,

India by means of the exchange ratio has lost on these 247 crores at the rate of 12½ per cent. I need not calculate the arithmetical figures, because any Honourable Member of this House can calculate.

The Honourable Sir George Schuster (Finance Member): May I interrupt the Honourable Member for a moment? I am sure I shall not have an opportunity for dealing with all the points he makes in my reply on this subject, but I would like to point out to him that he is dealing only with the visible balance of trade. He has left entirely out of account all the invisible items in the balance of trade, and if he contemplates a country going on year after year buying more than she sells, I am afraid that country would very soon be pulled down to complete financial ruin. Unless something is going to happen in the way of ruin, a country must maintain an even balance of buying and selling, but that balance must take into account all sorts of invisible items which cannot of course figure in the balance of trade which only deals with merchandise and actual physical things that are imported or exported. I suggest to my Honourable friend that, if his argument is that a high exchange ratio is of value when you buy more than you sell and that you lose when you sell more than you buy, then there is a third alternative, namely, that, if you buy exactly the same amount as you sell, it does not matter to you at all whether your exchange ratio is high or low, and that, I suggest to my Honourable friend, is exactly what represents the truth in this matter. In the long run, if you have a stable exchange, it does not matter to you in the least whether the level is high or low because the balance of your payments must be equal to the balance of your receipts, and in that I think unconsciously my Honourable friend has brought us to the pith of the whole matter in his technical argument.

Dr. Ziauddin Ahmad: If you ask me to take up the visible balance I have got the visible balance. The visible balance after paying India's obligations is given in the Report of the Controller of the Currency. It is in favour of India in the year 1927-28 by 11.93 crores, in the year 1928-29 by 10.72 crores, and in the year 1929-30 by 31.81 crores. So that the visible balance is also in favour of India. (An Honourable Member: "What is visible balance?") After deducting payments and other things which we have to make in England, we get what is called the visible balance of accounts.

One thing which our exchange ratio has hit very hard is the industry of hides and skins, and it has been brought to the verge of ruin by the export duty of 5 per cent. The value to India of this industry taken as a whole is about forty to fifty crores; it provides employment to large numbers of men, and is a factor in the economic well-being of millions of the depressed classes. There is scope for work in order to reduce the national waste (Hide Cess Committee's Report p. 168).

The Report also tells us that the larger percentage of exports consists of inferior grade hides from animals which have died a natural death, while the greater proportion of the hides of animals which have been slaughtered in slaughter houses is utilised by Indian tanners. Sir, we find that on account of this exchange policy of the Government, coupled with the export duty, which is really an insult to injury added, we find that the trade of the export of hides is going down very rapidly. In 1928 the export

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of cow hides was 4,125,908 Pcs, in 1929, 3,563,691 Pcs, and in 1930 it was reduced to 2,608,074 Pcs. The export of buffalo hides has been reduced from 741,662 to 401, 834. Sir, the effect in the case of the hide industry has taken the form of complete strangulation of the source of income of many thousands of the lowest classes of village-dwellers. These men, who are engaged in the collection of hides from fallen animals and the preparation of such hides for sale in the various markets throughout India are immediately and particularly unfairly affected by a drop in the exports to foreign countries. The position today is that the prices which the shippers can afford to pay for their hides are so low that, by the time the material has been railed to the ports and the profit of the Beparis been set aside, there remains for the village flayer a figure so small that it is no longer worth his while to collect the hides and cart them to the market. Relating to the exports of hides for the period January to October 1930, compared with the same period in previous years, although it is not possible to give a definite value for the loss due to non-collection, the fact remains that although the exports have dropped considerably, there are no accumulations of stocks in Calcutta or in the mofussil; and as the quantities absorbed by the tanning industry have also dropped, the fall in the exports represents approximately the quantity of raw material which is being destroyed. This destruction is a total loss to the country and the case for the abolition of the duty is clear when it is realised by Government that, with the removal of this tax, shippers to foreign markets of Indian hides will be in a position to compete with other countries producing similar goods, to the benefit of the collectors, the Beparis, the Arathdars and the shippers. Following the unanimous recommendations of the Indian Fiscal Commission, the Government intended to abolish the export duty, but the efforts of the Government were frustrated only by the absenteeism of some of their nominal supporters. (Report page 143.)

Sir, this is an example of an industry which is on the verge of ruin by the exchange policy of the Government, and in the particular case, they not only adopted this exchange policy of 12½ per cent., but they put on an additional duty of 5 per cent. on all the hides exported from this country. What is the result? By this artificial putting up of 17½ per cent. on hides, India cannot compete with other countries in the European markets. We notice that the tanners in Germany and other countries have changed their machinery in order to take up the raw hides from other countries outside India. Other countries are helping this particular kind of industry by adopting various measures, but in this country, we first put up an artificial duty of 12½ per cent. on account of exchange and then an additional duty of 5 per cent. on the export of hides.

Now, there is the other question of wheat. We know that India cannot compete at present in the open markets of the world in the case of wheat, and this is also due to various factors. One important factor is that we put a duty of 12½ per cent. on account of exchange. We find that other wheat producing countries have reduced their exchange ratio for the benefit of their exporters. We want an import duty of 10 per cent. on wheat and not the export duty on hides and skins. In India we have taken action against her own interests, and therefore it is high time that we should now consider very carefully the effect of the exchange ratio on

the various industries, and especially the agricultural industries and revise it again, because, as was pointed out by Sir Basil Blackett, the Act was only a temporary measure and it was not an Act which could not be revised. I leave the question of the exchange ratio at this stage.

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadian Rural): May I trouble the Honourable Member before he leaves that question? May I ask him how he proposes to meet the argument that any attempt at revising it will land us in serious troubles? That is the real argument against revision.

Dr. Ziauddin Ahmad: In every change there will always be some temporary profit and some loss. I illustrate it by the duty of two annas on petrol. The moment the Honourable the Finance Member delivered his speech, the price of petrol was raised at every place in the whole of India by two annas per gallon and those who had imported it previously gained by it. During the period of transition, some persons will profit and some other persons will lose, but on the whole, the country will gain.

Diwan Bahadur T. Rangachariar: Have not matters adjusted themselves during the last six years?

Dr. Ziauddin Ahmad: That is what I called a theoretical platitude. This is the argument which Sir Basil Blackett used in 1927 and this is just what the Honourable the Finance Member would say. I have given the examples of these industries which are hard hit by exchange policy. I know the Finance Member will not agree with me and I cannot agree with him.

The next question which I take up—and I shall deal with it briefly—I know is a very difficult question, and that has been made intentionally a more difficult question. It is the question of the Reserve Bank. I have been reading the reports of commissions and committees from 1870, and there is not a single commission or committee about finance which has not written on the subject. So much has been written and said I P.M. and so much time has been wasted on this subject and so much money spent, that it would be better to institute a fellowship for studying the whole thing and writing dissertations. When I studied this problem the impression produced on my mind was that there was only one point of difference. What the Government wanted was, that after establishing the Reserve Bank in India, the centre of gravity of the Indian finances should continue to remain in East London and the Indian who did not agree with this wanted to bring the centre of gravity of Indian finances from East London to Delhi and Calcutta. This was really the central point on which they brought forward all kinds of arguments, financial, political, and economical. Practically everything converges to this particular central point, whether the centre of gravity should remain in East London or be brought to India.

Now, I shall take up a minor point, and that is the question of unclaimed interest. The late Sir Haroon Jaffer, a member of the Council of

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State, moved a Resolution on the 16th February, 1927, which ran as follows:

"This Council recommends to the Governor General in Council that he may be pleased to take steps to make available for the improvement and expansion of Muslim education all the interest accruing from the deposits in the Postal Savings Bank and the Government securities belonging to the Mussalmans who did not, owing to religious scruples, receive interest thereon and that this arrangement might be given effect to in provinces in which Muslim public opinion is agreeable to this scheme."

I do not want to impress upon the Government today how the money should be spent, but I do implore them that this amount ought to be shown really in the Budget. They must give in every Budget the exact amount of the unclaimed interest which is left over in the hands of the Government. I do not propose to discuss how it should be spent, but I certainly do insist that the exact amount ought to be shown in the annual returns of the financial statement of the Government of India.

There are three more points which I shall not take up at present because I have taken more time than I ought to have taken and probably I will have further opportunities later on. I refer to the question of petrol, income-tax and the question of salaries. I do believe that the salaries in India are very high. I know that we have to provide these salaries in order to induce Englishmen to come to this country, but there is no reason why the same high salaries should be given to the Indians where the cost of living is very low. I think this whole question of scales of salaries ought to be revised. I have got the figures with me for various countries like France, Germany and England. In the light of these figures, it is highly desirable that the whole system of salaries should be revised. We can provide a special overseas allowance for those persons whom we employ from England. I am sure that no Englishman will care to come out to this country unless we pay him a salary higher than he could get in his own country. I realise that, and therefore we ought to have a special overseas allowance, but there is no reason why for the sake of about 5 per cent., we should give high salaries to the remaining 95 per cent., whom we can employ on a salary according to the standard of living in this country. We can pay any amount of overseas allowance from Rs. 250 to Rs. 2,000 per month. With these remarks, I beg to conclude my observations.

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at Quarter Past Two of the Clock, Mr. President in the Chair.

Raja Bahadur G. Krishnamachariar (Tanjore cum Trichinopoly Non-Muhammadden Rural): Sir, my Honourable friend, Dr. Ziauddin Ahmad, has been placing before this House materials from which could be prepared schemes for mental uplift. Now a man cannot live upon mere mental food-stuffs; on the contrary, he has got to live physically before he can attain to mental advancement. I therefore, Sir, with your permission propose

to lay before this House for its consideration the grievances of the agricultural population, which constitutes as we all know, 90 per cent. of the total population of India. Sir, I am one of them, and I am proud to be one of them. Sir, the first and the foremost thing that concerns agriculture is production. So far, I respectfully submit, practically nothing has been done in order to give a lead to the agriculturist to produce two blades of grass where he traditionally produced one. There have been lots of Commissions, there have been lots of Reports, and everything that you want in the shape of Settlement Officers' Reports and so on and so forth, but, in effect, it has all been of absolutely no use because I say no one has considered what are the conditions under which the agriculturist cultivates his land. In the first instance, his land is divided into such minute holdings that most of it is uneconomic. The first thing under those circumstances that he wants is a favourable season. So far, he is dependent upon God Almighty alone for that. Now assuming that he has got a favourable season, the next thing is that he wants water for irrigation, manure for manuring his land and seeds for sowing the land. Now under all these heads he is always short. There is no attempt to find out why it is that, year in and year out, he is not able to put by anything in order to make up for the very very scanty cultivation he can put forth. Now anyhow he starts ploughing the field and sowing the seed, but between God Almighty and the irrigation officials he gets just enough water in order to scrape through the cultivation, and then the harvest season comes along. His produce naturally is not quite so plentiful as he would like. But look at his difficulty. I am talking especially of the Madras Presidency. In the month of December or January, the Government *kist* falls in to be paid. The headman has got a schedule with him for Rs. 35 divided into four parts—December, January, February and March. He does not budge an inch. Supposing the man has got to pay Rs. 35, he has got to find Rs. 8-12, for the first *kist*. Where is he going to get that? He cannot harvest his lands because he has got to wait another month. But, then he has got to pay Rs. 8-12 all the same; and as there is no institution from which he can get this, he goes straight to the money-lender. Well, the money-lender drives a hard bargain. He says, "All right, I take two units for one". A unit in its proper time would cost Rs. 2,—the money-lender drives his bargain for a rupee or Rs. 1-4. The man cannot help it. The headman is going to distrain his cooking pots and utensils and other goods in his house. Therefore he negotiates with this money-lender and takes this Rs. 8-12 and goes home. The first trouble is over, the *kist* is paid. Then the harvest begins. Unfortunately there is such a dearth of agricultural labour that what remains after having paid the tax-gatherer he has got to pay towards the temporary labourers whom he has got to employ if his harvest is not to be damaged and must be gathered in time. So, Sir, the remaining portion of whatever he might scrape through gets into the pockets of the labourer whom he has got to pay. He cannot grudge it, if he must gather what little there is in the field. Now he goes home—and what is the satisfaction that he has got?

A big Boyai Agricultural Commission went all over the country, collected evidence, examined witnesses, but who were the witnesses? Among them were carefully engineered official witnesses, but not one man engaged in actual agriculture day in and day out, not one man who has suffered at the hands of the revenue officials, the irrigation officials, the police officials and other officials. There are the persons—carefully

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engineered men in Government service, people drawing Rs. 4,000 a month, people who go in special trains and reserved saloons and see on both sides of the railway carriage nice paddy fields, and say, "The agriculturist is prospering"—these are the persons whom the Royal Commission on Agriculture examined. If you care to look into these big volumes of theirs—about 28 of them in number—that the Government of India have issued, you will find that most of these gentlemen have absolutely no idea as to the real condition of these agriculturists. Now when the Royal Commission on Agriculture came to the Madras Presidency, I wrote to Marquess Linlithgow. I said I found from the list of witnesses that they were going to examine that there were not many people who were actually acquainted with the agricultural condition of the Presidency. And so if he and his party would kindly come in a special train to a certain place, then from that place right up to a circumference of 100 miles all the Members of the Commission would be my guests and I would take them over from village to village. I have lands in four of these villages and they would be able to see for themselves the exact condition of affairs. They need not spend one single pie, except the cost of their special train which I could not afford to pay. After some time I got a letter from the Noble Marquess saying that the programme had already been settled and he greatly regretted that it could not be altered, but that arrangements had been made to secure all kinds of interests to be represented before him. In this connection, Sir, I venture to place before the House the names of some witnesses who were examined by the Royal Commission on Agriculture. They were 26 in all. Out of this number, two came from Mysore, one was a Government lecturing chemist and another gentleman was a general scientific officer. Then they examined the Commissioner of Labour, the Director of Industries, the Director of Public Health, Representatives of Messrs. Berry and Co. and the Surgeon-General to the Government of Madras. These are the persons, Sir, who have been examined in an elaborate inquiry by the Royal Commission on Agriculture, a Commission which started touring about the country and which was to relieve the agriculturist of his distress. Because they examined such witnesses I gave them the invitation that I referred to and got the reply that I have already placed before the House. Well, Sir, we waited for this glorious Report for which, I believe, some 8 lakhs of rupees have been spent. And what is the result? There was a gentleman in Madras who occupied the position of the Director of Agriculture. He read the Report of the Royal Commission and made some weighty remarks. I do not know if Honourable Members have ever come across a small book called "Agriculture in India" written by Sir James McKenna, who occupied the position of the Agricultural Adviser to the Government of India some time ago. Sir, in 48 pages he wrote briefly all the endeavours that have been made by the Government of India in connection with agriculture during the previous 50 years. I believe his work is dated somewhere about the year 1920. Now, Sir, you will be surprised to hear that this huge Report of the Royal Commission on Agriculture is simply an elaborate paraphrase of what Sir James McKenna wrote in 48 pages. Sir, 8 lakhs of rupees have been spent on this Royal Commission. The mountain was in labour and brought forth a mouse. What Sir James McKenna wrote in 48 pages, the Royal Commission has spent 8 lakhs to find out and it has placed before us everything that we knew. They say that a Commission is an indirect way of

finding out what you already know. That is exactly what has happened in the case of this Royal Commission on Agriculture. But where are we? We were told one thing that all these agriculturists are wanting in thrift. Make them understand the ways of thrift and make them understand how to save their money and then you can make them prosperous. One of the most important witnesses that appeared before the Commission was the Member of the Board of Revenue in Madras. He was examined by Sir Ganga Ram who was himself very much interested in agriculture. He asked him, "Upon what basis do you say that the ryot lacks in thrift?" The first question that he put was: "Whenever things are favourable, do you think that the ryot has got very much to save in order to exercise his principle of thrift upon it?" He said, "No". Then followed a series of questions with which I need not weary the House and which extend over 4 pages of the evidence. Sir, it turned out in the end that the entire evidence is based upon mere guess work and nothing else. Everybody has said that the ryot is wanting in thrift and that is what we have got from this Royal Commission which cost us 8 lakhs of rupees. All this money had been spent on them in order to find out what everybody said already.

Then, Sir, what they said was that we should make the ryot feel that he wants more than what he gets. I do not think it is quite fair. Already he is suffering from want of funds to make both ends meet and you want to create more wants for him; how is he going to satisfy them? There is no way by which you could improve his land and by which you could improve his manuring capacity. I say that deliberately because it has been suggested for a long time that these manurial products should not be exported from India. There is some economic theory which we agriculturists do not understand. I suppose this theory has already been established in Europe, where these people sitting in their arm chairs and discussing commercial matters such as how products go from one place to another, say, that manure should go out from one place to another. This theory then travels to India from Europe and we have got to suffer from its result. They say that, so and so economist has come to the conclusion that manurial products should be exported. The result is that whatever manure I have got goes away in the shape of raw products. For instance, bones go away, oil seeds go away. The result is that most of our manure is gone. The resources for our cultivation have been snatched away from us and on the top of it all the value of the food grains has considerably gone down. Now, there is a small pamphlet which was circulated along with the Budget speech by the Government, in which the rise and the fall in prices has been given serialim for the chief agricultural products of India. That is rather an interesting book to study. Therein you will find that there has been a heavy drop in prices for the last two years and absolutely no notice has been taken as to why it is so. If you go to the commercial man, he says it is due to the exchange, another man says it is due to world depression; you are suffering from the effects of the world depression. Between these theories it is impossible for us to find out what the truth is and what it is not. But the fact remains the same, namely, that we get on the average—I am now talking of the Madras Presidency—from paddy, which is our chief product, 35 to 45 per cent. less than what I myself got three years ago. But the Government demand continues the same. On the 1st December comes the tax-gatherer and I have got to shell out the money

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whether I like it or not. There may be a calamity like the floods, there may be a want of rains or the prices may have gone down, but we have got to pay the revenue to the Government. Now, I very respectfully ask, after these rather discursive remarks which I have made before this Honourable House, how are these agriculturists to live from the income of their lands? It is all very well for you to say that there is a village uplift scheme. If you saw that village uplift scheme, it would provoke laughter. What is it you are uplifting? The man cannot live; he has not got the wherewithal to protect his wife and children; he has no money to buy his clothes. Half a dozen people come with big flags and you have got to feed them in the village. You have got to find their necessities. What do these men do? They come and give me a lecture, come and lecture to a man who has grown grey in the services of the village, a man who knows the troubles of the village. Well, these people are collected, and there is a lecture given. He says, "Look here, you people must live very clean, you must drink pure water, you must have free air and so on". Well, do I not know all these things? For the past 18 hundred generations, we know that we require pure air and fresh and clean water. But where is the man who brings it? If I want one extra well, I am told there is **no money**. The Government looks into its Budget 1,800 times before sanctioning any amount. If such and such a village wants an extra well, the Government say, "No money". If you require armoured cars, or tanks, or whatever they are, you can easily find out the money. I do not understand these armoured tanks, they are motor cars to shoot down people. Sir, in my school days, I read a book on the "Study of Sociology" by Herbert Spencer. He refers to a traveller who at the end of the 20th century stands on the broken parapets of the London bridge and views the broken statues that are standing all along what used to be London in its palmy days and he was wondering what sort of civilisation the English people had cultivated, that is, the greater the man's cleverness in finding out means to wipe out from the face of the earth a larger number of people, the greater is the statue that has been erected to him. I want to know if any statue has been erected to any man who has really conferred benefit upon humanity. If you find out a poison gas, you have a statue erected in your honour. If you find out a new machine gun, or a smokeless way of firing a gun, you have got a statue in your honour. I do not complain of all this. You have got to live. If you want to defend your life, and property, there is the Kshatriya to do it. But how are you going to improve the condition of the people and how are you going to make them prosperous? Sir, according to our old ways in which the community has been divided, Manu in his Dharma Shastras divided people into four classes. The one class is the parasite, which is the beggar class. Another class is the half-parasite—mark my words—the half parasite, because it is in Government service, and does not contribute any thing towards the protection. (Laughter.) Manu classed him as the half parasite. The third class is the one that is between this half parasite and half producing. There is the fourth class, the producer. Then Manu sits up solemnly and says or enjoins upon the Government to protect that one-fourth man, otherwise your Government will go to ruin. I belong to that one-fourth and I form part of that 25 per cent. There is absolutely no good of setting up Royal Commissions, or saying that this Royal Commission has done a

great deal for the agriculturist. On the other hand a great deal still remains to be done. What is the great deal that you say has been done? You have spent money. If you take a concrete case, you have got what they call the single seedling transplantation. Now, three hundred years ago, we have been practising the single seedling transplantation in the Madras Presidency. It struck some gentleman, this brilliant idea of renewing this practice, and he did renew it. He got all the praise and all the glories for this suggestion. What we have all along been doing has been suggested to be renewed, and we had to spend money on these experts. It is not that the Government do not know what our real grievances are. What our grievances are the Royal Commission on Agriculture has very elaborately found out and they have given our grievances in a few pages of their Report. So much the better, and thanks for these small mercies. What is the remedy they suggested? The first and the foremost thing is the Research Institute. A Research Institute has come into existence. Of course you want experts. Without experts, you cannot go on. How do you know whether a certain manure suits a certain soil or not? Well, what does the expert want? I have got in my place four pages of printed instructions issued by this expert, and unfortunately I forgot to bring that pamphlet. What does the expert want? He wants me to send in a neatly packed up box samples of my soil which he is going to examine and tell me whether there is nitrogen, oxygen, or hydrogen peroxide, or whatever it is, in my soil or not. He wants to find out whether all those compounds, which I learnt in my school days and which I have since forgotten, exist in my soil or not. He is going to tell me after examining the soil. I challenge anybody to read out these four pages of the pamphlet from top to bottom and help me to take one single sample of the soil from my land and pack it for the examination of this expert. You cannot do it. It is hedged in by so many restrictions. If you make a single mistake, the expert cannot examine it. I am a foolish villager and of course I cannot pack the soil in the way that the expert wants and I am liable to make mistakes. If I do not pack it properly, the expert cannot tell me the contents of the soil.

An Honourable Member: Potassium cyanide.

Raja Bahadur G. Krishnamachariar: Well, it is rather dangerous. Of course, I dare say you are not going to bring it into this room. I hope my Honourable friend, if he wants, will try these things outside. I hope he knows that the man who tried to manufacture hydro-cyanic acid in his laboratory fell dead. But potassium cyanide may be a good thing for some other person. But we do not want it for an agriculturist. So, Sir, you have got all this question of research. You go to the agricultural chemist, he does not know what your soil contains, rather he wants you to fill up the blanks in the form which he supplies you and which I cannot fill up properly. So what I did was this. You may call it a mistake or foolishness. I wrote to this chemist and said, "Well, it does not matter, I will pay you your *batta*, you come and stay in my village for one week and find out the nature of the soil yourself. You can come personally and analyse the soil". This is what I wrote to him. Mind you the Government are not put to any extra expenditure; the Government are not paying his travelling allowance. I offered to defray his travelling expenses. I only asked him to come to my place and analyse the soil

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personally. He simply said, he could not go to my place because he had no time. In the meanwhile, what happened? Before Mr. McKenna wrote his treatise on the chemical composition of manures and so on; what had happened? It is a very interesting story. We have got several companies in our Presidency, and particularly there is one Messrs. Parry and Co. I am only citing this as an example. I have no grievance against any of the companies, either individually or collectively. These companies which deal in manures write out long pamphlets in which they explain that the millennium will come if such and such a manure is used. They send all these pamphlets to you for consideration. They ask you to buy their manures, of course, not without consideration. You pay so many rupees per maund and you buy those manures. You put these manures into your soil, and then you are assured that everything will come all right. If it does not come all right, the man who sells you the manure says, he could not help it. He attributes the failure to the deficiency in rain, or lack of irrigation facilities or the act of God. So at present in our Presidency they are selling these chemical fertilisers. We are called backward people. They say, we are not advanced and that the agriculturist is so conservative that he cannot take to new methods of cultivation. I will tell you exactly how these new methods work. These propagandists come to our villages with huge flags. Then the people collect. The agents of these manures tell the people, "We have got very good manures. If you purchase them and spend Rs. 4 on an acre, it gives you a much better outturn". The result is the poor villagers buy after paying down cash. After all, these agents do not give manures on credit. The villagers buy and put the manures in the field. But eventually the villagers do not get any return. Of course, as I said before, either it is the fault of the man who ploughed the field, or it is the fault of the Government that do not supply water, or it is the fault of God Almighty for not giving water at the proper time. However, we have been fooling ourselves about these fertilisers, and lakhs and lakhs of rupees have been spent in the Tanjore district of the Madras Presidency on these chemical manures.

Now, there is a farm in England which is called Rothamstead Farm. A great philanthropist about a hundred years ago endowed all his property for agricultural benefit, and that farm does a great deal of good work. And what did that farm find out? It found out that the chemical fertilisers, over which we have been fooling, spoil the land and deteriorate the soil and in order to be effective, there should be half chemical fertiliser and half animal manure. Now, Sir, I have spent lakhs and lakhs of rupees and all my money is gone. Was it not the duty of Government to find out and tell me that I should go in for half chemical fertilisers and half of animal manure? Somebody like myself who had nothing particular to do found this out from an article in the Agricultural Journal of India. It was printed in the newspapers and it created a row, and it looked as if there was going to be a breach of the public peace between the agent and the ryots over this. Eventually we all settled down after losing some lakhs of rupees on foreign manure. That, Sir, is the position regarding the Research Institute so far as agricultural chemistry is concerned.

There is in Pusa an Agricultural Research Institute. My friend Dr. Ziauddin Ahmad said, abolish all these advisory boards. Abolish first of

all that Pusa Agricultural Research Institute. In the course of the examination of witnesses by the Royal Commission on Agriculture, they were asked the percentage of rice cultivation throughout India—it is a fairly big percentage though I do not now remember exactly what that percentage is—and they were asked what steps they had been taking to secure research for improving the production of rice in India. And they said that rice does not grow in or near about Pusa, and so they never troubled themselves about it. But I have got to pay, and my grievance is that I have got to pay for it. If you had not asked me for money, I would not have troubled about it at all. On the contrary see what happens in other places. Italy is a rice-producing country; America, California, etc., produce rice. If I want material to find out how to get rid of insects in rice, how to manure my field, how to produce a better tilth and what sort of implements I should use, I have got to go to Italy. I have got a big bundle of literature in Latin or Italian and I cannot make head or tail of it. If I go to California, I get a bundleful of literature on rice and rice alone. That is the way to improve your agriculture. What have the Government of India done? They have got agricultural bulletins. I do not know if any Honourable Member of this House has taken the trouble to go through them. But look at the troubles we are suffering from. I want a book about rice and the entire Indian production is rice and nothing else. Now as a result of the Royal Commission on Agriculture they have got experts, and people go out all over the country and talk of the improvement of the sugar-cane cultivation. I have nothing to do with sugar-cane and I am not going to trouble about it. But if you look at the Report on the sugar-cane industry and see the way in which they have tried to improve this sugar-cane cultivation, you will find that there is a great deal of romance, and from my standpoint, there is a great deal of tragedy behind it. Not in one item, not in a single place have they tried to tackle the real grievances from which we are suffering. And yet practically the entire money that Government make is from our produce and from our labour.

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): But there is a South Indian gentleman on the Imperial Agricultural Research Council.

Raja Bahadur G. Krishnamachariar: That is by good fortune or ill fortune the worst of it. Sir, I thank my Honourable friend for reminding me of that fact. According to the Government of India, the man who occupies a high position in some place or other is fit for everything else in the world. Great people, clever University men, successful lawyers, first-rate mathematicians, good professors they are fit for everything else in the world. Only they cannot be doctors because the result may be something calamitous; nor can they build bridges because we shall all go down when travelling on the railways. But barring these two things, where they do not allow these people to come in, these Government officials are fit for anything and everything that you can lay your hands on. You start a new establishment and you at once appoint a man in the Civil Service or some other service. He may be of course an Indian but that does not make any difference so long as he does not know anything about these things. That, Sir, is one of the tangible results of the Agricultural Commission. Another thing is that, wherever you go, you have got an advisory board. I will not dilate upon this advisory board but there also you find the same story as in Dr. Ziauddin's educational board. Most of them are

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amateurs, and have absolutely no time to think and do anything except to go at public expense to the central station, talk and go. Sir Nizami in his *Sikadarnama* has got a very nice couplet which may be applied to these advisory councils, and I hope this Assembly will excuse me if I quote it:

*"Paye Mushawarat mahfil arasthand
Nishistand wo guftand wo barkhastand."*

"They all arranged for the assembly; the members came, sat, spoke and went away."

I assert that in 99 cases out of a 100 this is the sort of advisory council that we have been fooled with. And the worst part of it is that I have to thrust my hands deeper and deeper into my pockets in order to find money for these people. It breaks one's heart and how long can one go on like this? In short, I want what they say in Urdu, "*Thorasa likhna bahut samajhna*".

I am only giving a taste of what I am suffering from. I assure the House that, if they can give me three days and bear with me all that time, I can lay my grievances before them. The result is that I want that these things should be carefully considered and that the Honourable Members of this House should go into the details of each item from which the agriculturists suffer, because I call them the backbone of the country, and try to redress their grievances. On the top of it all there is the land revenue policy. There have been lots of things tragical, comical and romantic about this land revenue. When I go and tell Government that I am suffering from this excess of assessment they say, "You have been paying it from time immemorial, from the time of Manu". Of course, I have been paying. And there is one thing which I want to say here publicly from my place in this House, and I can say it without fear of contradiction.

The ryot or agricultural producer does not want to shirk his liability to pay what in the old Hindu days was the Raj bhag or the King's share. He does not want to shirk it. They say one-sixth of the gross produce; but Lord Curzon in his peculiar way of mathematical calculation worked it out to half of the net produce—I shall come to this later on. We have been paying one-sixth of the gross produce from time immemorial. We never objected to paying that. As I shall presently show, we are now paying 75 per cent. of the net produce, which is rather more than one-sixth of the gross produce in all conscience. But what is the return that we get? If you take as the Raj bhag one-sixth share, you must return to me some benefit. I would like to know what is the benefit you have conferred on me. What is the present condition? When the English first acquired the diwani in Bengal and later on these provinces, they had no clear idea of land tenure. They had imported from Europe ideas about their own feudal tenure and the way money was collected from the land. They tried to fit in those ideas with our land system; and the fifth Report of the affairs of the East India Company would tell you the story about the way in which these things were done in order to find out how best to adjust. Eventually, so far as Bengal was concerned everybody knows that they came to the permanent settlement. But so far as the Madras Presidency was concerned, they fluctuated between the permanent settlement and the ryotwari

settlement. What that ryotwari settlement is nobody knows. You ask Major General Sir Thomas Munro who started it, whose evidence is recorded before the Committee on East India Affairs, who says that although ryotwari holding is a direct holding with the Government, it is yet a permanent settlement in the sense that you cannot change it. But no, says the Government, that does not mean ryotwari settlement and that is what has been held in later despatches. Whether it is a permanent settlement or whether it is a periodical revision, one thing that is now within the plane of practical politics is their constant harassing unsympathetic way of revision of settlements. With regard to this revision of settlements, I will just read what happens. The settlement is generally for 30 years. The settlement party's visitation—not visit—over each portion of the country has been going on, and it has practically finished its labours; in one place it is a fifteen years' contract; in another place it is 30 years; in a third place it is 40 years. The settlement party goes into those places where there are fixed periodical settlements. The years roll on; another party comes and this is what happens. I am quoting from the Report of the Indian Taxation Enquiry Committee and I want this House particularly to note this:

"At the resettlement, which takes place at the close of the thirty years settlement period, the settlement officer makes a detailed inquiry into the economic condition of the district and then comes to general conclusions as to whether there is justification for a change of the rates, and bases his suggestions for alteration of the assessment mainly on these general inquiries and on the average variations in prices of food grains during the preceding thirty years. The frame work of the original settlement is not usually disturbed unless it is discovered that it is patently unsound. Under recent orders of the Government, whatever the enhancement that might be indicated by the enforcement of the half-net rule, it has been directed that the maximum enhancement will be limited to 18½ per cent. when the variation of rates consists only in a percentage enhancement based on the rise in prices."

If you take this paragraph bit by bit what do you find? "The settlement officer makes a detailed inquiry into the economic position of the district." You know what it is. He selects a typical village, or rather he writes to the Collector, the Collector writes to the Tahsildar and the Tahsildar writes to somebody else and they take hold of the best villages in their charge; they take very good care to see to that. The settlement officer goes there and goes about to find what is the yearly produce. The better sort of people know what all this is going to lead to and they make themselves scarce under the excuse of a marriage or funeral or something like that; and so they take hold of the landless man who sits on a *pial* in the village and weaves a theory of his own. This detailed inquiry referred to in the Report is from that man; and then he goes home and sends for the village accountant. This accountant is an extraordinary man; there is an old Tamil proverb which says that God Almighty first created the God of death, and there was a little bit of earth remaining in his hands; so he took hold of another person and called him the village *karnam* or accountant. That is the saying in South India. The village *karnam* goes to the settlement officer and gives him a magnificent account of the produce throughout the last thirty years, all verbal and all out of his memory. There is no doubt that man has got an extraordinary memory and if only he had chosen his proper sphere of life, he would have been a most brilliant man, however, he goes and gives him these details; and upon these details he makes out his assessment. Then there is the Sub-Registrar's record.

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That is rather a big document. It consists mostly of ways of making leases; I myself have made leases, but not in this haphazard fashion. They take hold of a man and ask him, for example, "How much will you give for these five acres that we want to lease?". He says "Rs. 100". They say, "No, no; you must give Rs. 200". Eventually they settle it for Rs. 100 actually, but I ask him to write out a lease for 200 rupees because there might be somebody else later on who might give them that amount. The result is that the settlement officer bases his recoveries upon this lease and says, "You realised 200 rupees of course from that man and so you can afford this increase in assessment and you are liable to it". That is the sort of inquiry that he makes; and if Honourable gentlemen will only refer to the Bardoli Enquiry Committee's Report—there is a whole elaborate 85-paragraph enquiry and so how can I trouble this House with that? I shall simply give you the conclusion of a distinguished judicial officer and a distinguished revenue officer, both of them Europeans—all honour to them.

"We are now in a position to sum up this part of our report. The question that was put to the Bardoli Enquiry Committee was based upon the allegation made by the Bardoli ryot that the reports accessible to the public did not contain sufficient data warranting enhancement, and that some of the data are wrong. We are bound to hold that the complaint referred to in point (b) of the terms of reference is substantially justified. The data in the reports apart from rental and sale statistics are obviously not sufficient to warrant either the general increases sanctioned in the maximum rates or the much higher increase in the case of particular villages. The rental and sale statistics have been carelessly compiled and demonstrably incorrect in a large number of cases, and in general must be regarded as completely unreliable."

This is only a sample. From the sample judge of the bulk. Wherever you go, whatever Settlement Officer might report, I challenge it, and I challenge it deliberately and without the least fear of contradiction, go to any Settlement Officer, this is the result. Only in Bardoli after 18 months' struggle, they were successful in getting a judicial officer who was able to go into the matter, and who came to the conclusion "in general must be regarded as completely unreliable".

I now turn to what the Taxation Inquiry Committee says:

"It is chiefly upon this detailed inquiry that the Settlement Officer makes that they increase the assessment."

There is one little thing that is very pertinent at this stage. After this inquiry, have you ever heard a Settlement Officer saying any time that no increment should be made in any village? The Settlement Officer's inquiry somehow or other leads him to the conclusion that there is scope for increase so much so that even the Government are some times scandalised that they themselves are either ashamed or astonished of their moderation,—I do not know what,—when they say that they do not want more than 18½. Detailed inquiries are wholly unreliable—result, increment, and there is always a percentage of increment,—based upon what? Rise in prices. Now, that rise in prices has got a little bit of story. Here again I am talking of the Madras Presidency. In the Madras Presidency, I believe Honourable Members know that in the ryotwari villages Government gives us what they call a *patta*. *Patta* is a document in which they enter our holding, and the rate at which we have got to pay our assessment, the total assessment due by us to the Government. It does not mean a single quota of a man's family, but it means the entire holding of one particular person whose

name is entered there either as the representative of the family or in his individual capacity. Now, Sir, when the Royal Commission on Agriculture were at their wits' end to find out materials, they were very angry with the Madras Government because they had not given them the summary of the conditions or the details of landholding and all that. However, eventually after a great deal of haggling, they were able to get the necessary materials from the Madras Government, and they found that there were five million eight hundred and seventy *pattadars* out of a total of 5 million 415 thousand 515,—that is the total number of *pattadars* in the Madras Presidency. Out of this total number of *pattadars* in the Madras Presidency, 5 million 870 *pattadars* pay Rs. 30 or less upon their holdings. Out of 5½ million *pattadars* roughly, 5 million pay Rs. 30 and less. Now, assuming Rs. 4 to Rs. 5,—it is very much more in the Deltaic districts of the Madras Presidency,—but even assuming that between Rs. 3 and Rs. 4 is the average tax of the holdings, and even supposing that all these people pay Rs. 30, which is not the case, out of these, 2 million 21 thousand *pattadars* pay below Rs. 10. Only 600,000 pay about Rs. 10 and below Rs. 30, assuming that, Sir, we have got nearly 9/10ths of the persons who hold land paying Rs. 30 and less upon holdings which are uneconomic. And what is the criterion upon which you justify yourself for raising the assessment? General inquiry and on the average variations of prices of food grains during the period of thirty years. Variations are all right. We all know of the Marwari who calculated the average depth of water in a river when it was in flood and who got himself washed away in midstream when he was in 12 ft. of water. But apart from that, what do you find? The average prices of food grains don't matter to him. Out of 5½ million *pattadars*, five million *pattadars* pay land revenue at the rate of Rs. 30 a year, which according to Lord Curzon's calculation, give him Rs. 30. Say it gives him some Rs. 60. What does it matter to him whether grains are sold at Rs. 8 or Rs. 2 a pallah. It does not matter to him at all, because he has not got any grain to sell. On the contrary, he has got to borrow in order to make both ends meet. Therefore, first of all the details collected by the Settlement Officers are all unreliable, because every time these officers come to a village there is an increase. If you ask them why they have done so, they say, "Oh, look here, look at the records. I must believe that your economic condition has improved".

That, Sir, is my grievance with regard to land revenue. So that, when all these grievances were placed before the Joint Parliamentary Committee, what did they say?

"The Committee are impressed by the objection raised by many witnesses by the manner in which certain classes of taxation can be levied upon the people of India by executive action without, in some cases, any statutory limitation of the rates and, in other cases, any adequate prescription by statute of the methods of assessment. They consider that the imposition of new burdens should be gradually brought more within the purview of the Legislature and without expressing any judgment on the question whether land revenue is a rent or tax they advise. At present the statutory basis for charging levy on the land vary in different Provinces; but in some at least the pitch of assessment is entirely at the discretion of the Executive Government."

Here you have got a little bit of buttering when they say, "No branch of the administration is regulated with greater elaboration or care"—thanks to the testimony borne by the Joint Committee. We have seen

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what the Bardoli Commissioners have said about the elaboration and care. Proceeding further the Committee says:

"But the people who are most fitted have no voice in the shaping of the system and the rules are even obscure and imperfectly understood by those who pay the land revenue."

Here perhaps I may be pardoned for saying that the rules are imperfectly understood not by those who pay the land revenue but by those who administer the land revenue. I have got certified copies to show, if anybody challenges me:

"The Committee are therefore of opinion"

and that is the operative portion of it upon which, Sir, I base my criticism:

"that the time has come to embody in the law, the main principles by which land revenue is determined, the methods of valuation, the pitch of assessment, the periods of revision, the graduation of enhancement, and the other chief processes which touch the well-being of the revenue-payers."

Now, Sir, I am one of those revenue payers. These statements were recorded 12 years ago in the year 1919. From that time onwards we have been trying our best to improve the system. Our friend Diwan Bahadur Rangachariar, with all the experience he has acquired during his forty years' experience at the bar in connection with cases arising out of land revenue matters, has not been able to shake the citadel of the Government of India and to make them agree to bring forward a declaration of policy not to increase these cesses at every settlement. It took six years for the Madras Government to move. They were pressed and eventually they brought forward a Bill. And what did that Bill consist of? It consisted of procedure—what a man should do, and what a man should not do, and at what time. That is all that that Bill put forward. The Joint Parliamentary Committee said, "Fix the pitch of assessment". "No", said the Madras Government in the first instance, and then they introduced a Bill. The Legislative Council would not look at that Bill, and it is one of the few instances where even leave to introduce was refused after two days full-dress debate. When it came to the Government of India—and here I have a direct grievance to lay before this Honourable House—the Government of India would not allow the rate of assessment to be placed before the Legislative Council before it is applied to the country. In other words, when a Settlement Officer says that there shall be a certain increase in the settlement rate of a certain district, it is final. English is a foreign language to me. I do not profess to understand it, and even after nearly 40 years' experience I think I am talking in the worst possible language that any man could hear, and what little I knew I have forgotten during my residence in a Native State. In spite of all that, I believe I can say that the passage that I just now brought to the notice of the House clearly shows that the rate of assessment must be within the control of the people—that at any rate, is what the Joint Parliamentary Committee said. "No", says the Government of India. The Government of India do not agree that the Legislative Council should fix the rate of assessment. Then why do you go to the Round Table Conference? I do not understand it. We have all been told, no taxation without representation. If the

Legislature is going to be responsible, and all that sort of elaborate thing—directly you say something, Sir Cowasji Jehangir stands up and fires away for half an hour defending the Round Table Conference, and Mr. Ramaswami Mudaliar stands up and fires away for three quarters of an hour, and all that sort of thing. But what is the result? I say, "Don't raise the assessment without asking us". "No", says the Government of India. Then, a question was recently put by my Honourable friend Diwan Bahadur T. Rangachariar, in answer to which, after all, the Government of India specifically and definitely stated that the reason why the Madras Government was not allowed to carry through the Bill was that they (the Government of India) did not agree that the rate of assessment should be within the purview of the Legislative Council. Unfortunately, Mr. Rangachariar was not here in order to pursue the subject. So, I myself took courage in both hands because I did not know how to put a supplementary question. I got up and with your kind indulgence I put a question, "Why will not the Government allow it?". The answer was, "Because they will not allow it". (Laughter.) Sir, in the olden days, when we used to go to our schools late, the master used to ask with a cane in his hand, "Why did you come late?". "Sir, time passed". (Laughter.) Similarly, the Government of India were told by the Joint Parliamentary Committee to put the rate of assessment within the purview of the Legislative Council. You decline to do it, and I ask you, "Why?". You say, "Because I will not do it". (Laughter.) And yet you are surprised that the people are not happy with you. And yet you are surprised that there is discontent in the country. 400 years ago, the greatest, the wisest and I am sorry to add the meanest of men said, "When there is sedition in the country there must be some cause for it. Remedy it and do not go and repress it". Those words should be written on the portals of the Government of India now. They must read them every day and see why it is that there is discontent in the country. Don't go after useless people. Don't go to the demagogue round the street corner who declaims against you. Why does he declaim against you? Because there is material for him to declaim against you. You deprive him of the material and his work is gone, and you can go on with your work. I go to one place and I get a declaration. In another place that declaration is nullified, and you must agree with me that I have a grievance against you when you behave like that. Here is my Honourable friend the Finance Member saying that he wants 18 crores more. He says, "I do not care how you are going to pay it, but we are going to have it". Then comes the income-tax. I am not going to enter into it now. I shall have something to say about the grievance we have got in that respect, but for the present I am not going to take the time of the House over it.

There is only one other statement that I crave leave to bring to the notice of this Honourable House, and that is an extract from the official oral evidence given before the Indian Statutory Commission. (Mr. B. Das: "This House boycotted that Commission.") But surely you are not going to boycott the facts that were collected. You cannot boycott facts. (Hear, hear.) There they are staring you in the fact. I am only concerned with them, and not with the Statutory Commission. (An Honourable Member: "It is a misstatement of facts.") This is only about the voters. Out of the total number of voters, i.e., 1,280,000, 90 per cent. roughly come in through *pattadars*, and of this 90 per cent., 75 per cent.

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pay less than Rs. 10. That is the position. That is the condition, that is the way in which the people are ground down in poverty.

Sir, I have in a sort of discursive way tried to place before the House facts in connection with the economic condition of the agricultural population, especially relating to Southern India, and I very respectfully ask the House that, before, it agrees to those items of taxation which would be placed before it, it should insist upon these things being redressed by the Government before agreeing to any such proposals. (Applause.)

Mr. B. Rajaram Pandian (Madura and Ramnad *cum* Tinnevely: Non-Muhammadan Rural): Mr. President, it is with a feeling of painful disappointment that I heard the deficit Budget presented by the Honourable the Finance Member. I had given notice of a token cut motion regarding kerosene oil in the Budget discussion, but some of my Honourable friends, who had given notice of similar cut motions, had already spoken about it, and hence I did not move mine.

Now, Sir, this is a matter in which every poor home is affected. In olden days, we had other oils, such as castor oil, for the lamps, but after the advent of kerosene, even in villages situated far remote from towns, you see, Sir, in every home kerosene lights. It has become a necessity in every day life, and without it, it is impossible for people to manage. In some places, where fuel woods are scarce, people use kerosene as fuel. In the rainy season, even in rich men's houses, they use kerosene first to light a stove, and in similar other ways. You are aware that in India most of the population are villagers; 80 per cent. of the population are agriculturists and are considerably poor. You are also aware that people are faced with a very gloomy situation owing to general depression all over, owing to floods due to excessive rainfall, and heavy damage to the crops and several other causes. The political unrest in the country also has contributed to a certain extent. This deficit Budget has taken the country by surprise, and every one is shocked. Every one is much agitated over these additional taxation proposals with a view to meet this deficit Budget. The enhancement of income-tax and super-tax has considerably affected the commercial class. Enhancement of taxes on luxuries will affect the middle class men. The increased duty on kerosene and sugar will affect every poor home. Sir, I would like to know who will feel pleased over these taxation proposals. Several Members of the House have abundantly given expression to their views on this unfortunate situation and at the same time have suggested several ways and means to meet this deficit without laying an additional burden on this poverty-stricken unfortunate country. The Government have come forward with a proposal of a Retrenchment Committee and many Members of this House, out of their own experience of committees, have clearly expressed the view that these committees have not improved matters to an appreciable degree. If I am permitted to suggest, Sir, I would suggest for the consideration of the Honourable the Finance Member that a further enhancement of taxes on the import of foreign liquors could be made and increased export duty to the extent of 25 per cent. may be levied on raw skins and 20 per cent. on raw hides. My Honourable friend, Mr. Jamal Muhammad, very clearly spoke the other day on the Budget speech about the proposed enhancement of export duty on raw hides and skins. I have received telegrams from the following important institutions,—The South Indian Liberal Federation, City Branch, South Indian Chamber of Commerce, South Indian

Merchants' Association, Tanners' Association, Dindigul, Skin Merchants' Association, Trichinopoly, and from the Calcutta *mujlis*, expressing their disappointment over the new taxation and asking me to place their grievances before this House, and to the Honourable the Finance Member for due consideration. My Honourable friend, Lala Hari Raj Swarup, elaborately spoke about the dumping of sugar the other day in the Budget discussion and carried his cut motion. Therefore, Sir, we have with all the vehemence that we could command to place the matter to the best of our ability before this House for due consideration and I cannot support the Bill as it stands.

Kunwar Raghubir Singh (Agra Division: Non-Muhammadan Rural): First of all I wish to congratulate the Honourable the Finance Member on the lucidity of his expression in moving the Bill, and the completeness of the literature supplied to us but I will request him to see that this sort of literature should be supplied to us a little earlier, so that we might be able to study it and then give expression to our feelings in this House. The unfortunate feature of the proposals of the Bill is the taxation proposals. Now, Sir, the efficiency of a Government can be judged by its credit and by the efforts to reduce taxation. Mahatma Gandhi also laid stress on two things. The first was a change of heart, which fortunately seems to be forthcoming, but the second, the reduction of taxation, is not forthcoming. The position is worse because the Finance Member proposes a tax on several things, for example kerosene oil, which will hit hard the poorer classes, and this is a very good reason why it should not be levied. The betelnut tax also will fall under this category. The silver tax also comes third in this list. On account of its cheapness, poor people wanted to buy small articles of silver, but now they are debarred from doing so. Thirdly, I would point out that sanitation has not received sufficient attention nor village uplift, which are very necessary concomitants of Dominion Status. I would not prefer the destructive propaganda in Europe by Mr. F. L. Brayne, M.C., to the constructive work like that of Mr. P. W. Marsh, C.I.E., for village uplift. There is the question of economy which has not received sufficient attention. Fourthly roads. The condition of roads in my constituency is generally very bad. Particularly in Muttra and Mainpuri districts it is worse. When foreigners visit our country, do they like to praise your work and efficiency? No. Mr. Brailsford, a Member of Parliament, who visited the Mainpuri district recently speaks in very disparaging terms of the condition of the roads in the Mainpuri district. These things should be remedied before you hand over.

Retrenchment in the Army is the crying need of the hour. Do you think that by stopping the construction of some barracks here and some barracks there you will serve the purpose? No. The Department of Education of the Government of India should take more interest in the correction of the mistakes of new and reactionary Ministers than they have hitherto done. Lastly, I will appeal to the Honourable the Finance Member not to increase the income-tax, and instead reduce the Army Budget by at least two crores.

Mr. Jagan Nath Aggarwal (Jullundur Division: Non-Muhammadan): I wish to draw the attention of the House to the problem of income-tax, which is a serious problem, Sir, for the present year. I trust the House will bear with me when I take it back to the early times when this tax first came on. The first all-India Act which applied this tax on incomes was in the year 1886. Right down from that year to 1918, this tax was

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assessed not by a specialised Department but by tahsildars and Deputy Commissioners, and it was assessed practically on certain general principles, laying down almost a flat rate. If I may say so, it was a case of benevolent assessment. There was no question of very close scrutiny, looking into accounts and so on. You had to pay your tax with an occasional increase if you were found to be flourishing. In that way, it was a period of benevolent assessment. When the war came on, the yield from the tax was not found to be sufficient. Every year, it was pointed out that the income-tax yield was wholly insufficient for the needs of the country and then this specialised Department was brought into existence. First, the super-tax was added as a war measure. Now, Sir, it would repay to make a comparison. In the Budget figures for 1931-32 my Honourable friend, the Finance Member, has budgeted for 18.49 crores. For the last year, the figure was 15.79 crores and for the year before it was 16.70 crores, so that we are now in the neighbourhood of 16 to 18 crores under the heads of income-tax and super-tax. This is the second head of Government revenue, the highest being Customs which comes to 55 crores. How has income-tax come to be so important a source of revenue to the Government of India? We might just look back. If we start with the year 1911-12, we will find that the income-tax revenue calculated in pounds was roughly 1 million 642 thousand odd. Translating this into Indian money, we get roughly 2.40 crores. 20 years ago, we had an income-tax of nearly 2½ crores. There was no super-tax then. It gradually increased in 1912 and 1913. It was about 2.6 crores. In 1913-14 it was about 3 crores and in 1915-16 also it was about 3 crores. Now came the period of increase in 1918-19. Then we had something like 11 crores. The exact figure was £7,700,000. In 1919-20, the figure was 15 million pounds, something higher than even what we have today. That was soon after the war and it was about 22 crores. In 1920-21 we had £11 million, something like 15 crores. Now, Sir, we have seen how it has been gradually working up during the 20 years from Rs. 2 crores to Rs. 18 crores.

Now, Sir, we have to see, if this income-tax which is going to make a serious inroad on private incomes is not a serious problem for the middle classes. Now, I wish to examine the question whether the increase in the income-tax, the recent increase according to modern principles, has kept pace with the modern principles of assessment also. In other words, is the Honourable the Finance Member only to apply the rate according to modern conditions and not to apply the modern machinery of assessment or modern principles of taxation in applying this tax? Now, Sir, the first thing to which I would invite the attention of the House is that there is a distinction under the English law between earned and unearned income and earned income is treated differently from unearned income. Let me just examine the provisions a little bit more closely. A man living on the profits of investments, on money earned or inherited from the past, is treated in our country in the same way as a man who is living on his wits, being either engaged in the professions or making money by trade or otherwise. Now there is a world of difference between the two. The one has simply got to live, has got only to be there to make his earnings,—the other has got to work; and there is no justification for treating the two in the same way. There is, Sir, precedent for my contention in the English law. They say in England with regard to earned income, one-tenth—this was in the year 1923 and I speak subject to correction as to what has happened later,

perhaps there has been better relief—one-tenth of the income is deducted before you arrive at the taxable income. Is that principle applied here? About this relief to the middle classes, to the worker, to the trader, to the professional man there is no mention, not even a whisper from my Honourable friend, the Finance Member, that he is going to treat earned income in any such fashion.

Now, Sir, when we come to the various heads of exemptions and allowances under English law, we find a large number of them. We find, that there is firstly this allowance on earned income; then you have an allowance for your family, wife, children and dependants. If you have a wife, you are allowed a certain allowance. This was in that year for which books are available in the Library, viz., 1923. Thus, if a man is supporting a wife, he gets an allowance of £225. Then if he has one or more children of school-going age at school or in the university, he has an allowance of £86 for the first child and £27 for every other child. If people in this country are taking steps to educate their sons, and daughters as well, then it is only right and proper that the person with a fixed salary or the professional man should be shown some concession for the way in which he is discharging the responsibility that lies upon him of educating the future citizens of the country. Now, Sir, if you do not have a wife in England you have also provisions for relief. If you have a house-keeper to look after your children, you are given certain allowances; and what is more, if you have a dependent mother or somebody else, whom you have to support—and the corresponding classes here have a very large number of dependants as a rule in this country—a certain allowance is granted. Now this provision has absolutely been ignored here. I therefore say it is a matter of disgrace that when you are going to raise the income-tax—which was formerly administered, as I said, in that benevolent way and which was just a paltry sum which came to the coffers of the Government and thus it was a matter in which people might not have had much to say—when the income-tax is going to be such a huge thing, when it is going to be direct taxation amounting to something like 5 crores more if the present Bill is passed, I submit it is a matter for serious consideration why all these exemptions, all these allowances, all these remedies I have cited should not be seriously considered by the Honourable the Finance Member.

Now, I come to another aspect of it. The question of these exemptions was mentioned also the other day by an Honourable Member of the European Group when he said that the first portion of this income up to a certain limit should be tax-free. That again is a problem. One can very well understand that when you are taxing a man's income, obviously some part of it which is used by him is not saved, and for that reason it is recognized in the advanced systems of administration that the first part of an income up to a certain limit must be treated as tax-free, or the rate of tax on the first part of an income (in England £225) is half the rate. Now, Sir, that is a very excellent suggestion and that is a principle which the Honourable the Finance Member might seriously consider, because we all know that 80 per cent. increase is going to be made in the case of the lower incomes, and 60 to 40 per cent. in the case of others. Now the point to which I wish to draw the attention of the House at this stage is the position of the ordinary landholder in this country. According to the principles in force in England, a man

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living singly pays according to a certain formula and is granted an exemption; a man living with a wife has a certain exemption; a man living with and supporting children and dependants has a certain exemption—what is the position in this country? You have the case of the joint Hindu family. Let us see if my Honourable friend has treated them fairly. If one person is living with his wife and children, he has an exemption; but what, if two persons are living with their wives and children? How is the Finance Bill going to treat them? It treats them by taking the incomes of the two and lumping them and then forgetting all about them. Is that a fair way of doing it? If you had two partners, and they were registered as a partnership with the Department you would only take the incomes according to their shares for purposes of taxing, and there is relief afforded in some ways. If a man is living with his wife and children, he gets all sorts of allowances in England; if two persons are living as partners, they get allowances even here; but what if two or three persons happen to live as branches of a joint Hindu family? The joint Hindu family, Sir, is an institution which has not disappeared in the course of generations; and I take it that the Finance Member is very well aware of its existence because he makes provision with regard to it under super-tax because he takes the initial limit for its tax at Rs. 75,000 as against an individual's Rs. 50,000. But he makes no provision for this Hindu family when you know that one branch, two branches or three branches may be living together because of the great sentiment that joint families should not be broken up, and I ask, where is the point in ignoring this vital principle? If two people live together, you allow them certain concessions, but if two members of the same family live together, you make no provision. I submit that is absolutely unfair; and when you have recognized this principle in the higher reaches of the income-tax administration, you must do so in the case of the lower reaches as well. I take it that it is far from the intentions of the British Government to penalize Hindu families and to disintegrate them. If that is not the case, then it is only fair and just that you should take a note of this also, that in the lower grades of the income-tax scale, the existence of the joint family should be taken into account, and according to the number of persons comprised in it, you should tax them according to their proportionate share. Now, Sir, there are various other matters which would press hardly on the assessee. One or two such were mentioned the other day. One concerns the commercial community and relates to the important question of the carry-forward of losses. As we all know, under the English law we have income-tax assessed on the basis of the average of three years. A man has an extraordinary income in one year, he probably has no income the next year, and a small income in the third year,—and you have the system of averages, and you are not treated unfairly. It goes year after year on the average of more than one year, but the difficulty here is that you may make a profit in one year and pay income-tax and the next year when you have incurred a loss you will be left severely alone. If in the next year you begin to make money, you will be taxed again on it regardless of the loss suffered in the past. The man who has suffered the loss has to meet it out of income but the income-tax people do not take this fact into consideration. This carrying-over of losses is a proposition which may be looked into.

Next, Sir, I come to a very important matter, namely, the matter of depreciation. Unless we have some sound principles, the administration of the law tends to repress industry and to stop the growth of trade and manufacture. Now, Sir, the ordinary law does not make any provision for the excessive working of mills. It is a matter which has come into prominence only recently that factories can work day and night. The ordinary principle of depreciation is that you can allow a certain percentage taking the factory to work 8 or 10 hours a day. But the depreciation will be much greater if it works day and night. No provision is made for such cases, and some provision should be made in this direction also. Now, Sir, in this connection the only redeeming feature that one can find in the Income-tax Bill which has been introduced by the Honourable the Finance Member is that he is going to catch the foreign investments of people in this country and he has tried to get them into his net.

Sir, I have pointed out a few of the heads under which improvement is very urgently needed in the administration of the law. Now, I come to another important subject, namely, the machinery of assessment. That is a subject on which a good deal can be done and ought to be done before long. Now, Sir, the present position of this centralised Department of the Government of India is that the tax is assessed by the officers of the Government who are appointed by the Central Board of Revenue. Appeals are heard by them and it is only when a question of law arises from the appellate decision that a reference can be claimed. The only outside body that can have any say in the matter is the High Court, and that only on a point of law. The facts are final so far as the Department is concerned, and the assessee cannot claim any outside body to sit in judgment to hold the scales even between the Department and him. In a matter like this, it is not only important to do justice and to be fair, but to have the appearance of being just and fair. When it is a question between the taxpayer on the one side and the tax levying agency on the other, it is of the highest importance that you must have a third party in the show. In this connection, I could not do better than quote the opinion of the Punjab Government, which was pronounced in the year 1923 when they reported on the working of the reforms. I am quoting from the Reforms Inquiry Committee's Report of 1923-24, pages 202-203. My Honourable friend opposite, Sir Fazli-i-Hussain, was then a Member of the Punjab Government and this note of the Punjab Government will repay perusal:

(At this stage Mr. President vacated the Chair which was taken by Mr. Deputy President.)

"There is another matter of general importance in which considerable difficulty has been experienced, the administration of the Income-tax Department. With the principle of a specialised department for assessment of the tax—especially in view of the more intricate form which the law now takes—there can be no disagreement. But the method of assessment, and the attention given to objections and appeals, have an important bearing on the political attitude of the monied classes. There was no feature more noticeable in the disturbances of 1919 than the sudden emergence of these classes as a political factor, deeply interested in the *Satyagraha* agitation; and it was recognised at the time that their change of attitude was due in part, at all events, to the recent enhancement of income-tax rates."

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I hope, Sir, my Honourable friend opposite will not have to face this situation this year.

"Under the present system, the local Government is liable to receive, and does indeed actually receive, complaints regarding the personnel and attitude of the Income-tax Department. It is obliged to confess its inability either to superintend or interfere with their operations. This was a danger which was forecasted by some local Governments when the system was introduced, and experience in the Punjab shows that their attitude was not unreasonable. It is difficult to suggest a remedy; a specialised department is necessary and should be under specialised central control. It is possible that a solution might be found in providing an appeal to the Courts on questions of fact as well as law. The people of this country are not yet prepared to accept the position that a department interested in the assessment and collection of revenue can properly provide the final tribunal for deciding on the correctness of questioned assessments."

These are the words of the Punjab Government and were pronounced eight years ago, that the final word in assessment should not be left with the Department and that we should have a third party to hold the scales even between the assessee and the Government. Now, Sir, with regard to this, it is as well to turn to the example of other countries. And in this connection I would just draw the attention of the House to the way in which these assessments are made in England. I am now quoting from Sanders' "Income-tax and Super-tax" and on page 2 of this book we find the following passage:

"Practically the sole conduct of Income Tax administration is entrusted by law to Commissioners, of whom there are two bodies—the Local Commissioners and the Special Commissioners. The former bodies are distributed throughout Great Britain in divisions of varying size, while the latter have offices in London and hold meetings in certain centres. . . . The taxpayer may exercise the option of assessment by either body of Commissioners, but, comparatively, assessment by Special Commissioners is seldom resorted to."

Then comes the important part:

"The local Commissioners are in no way interested in the amount of Revenue produced under their jurisdiction, and their duties are to see that the scales of justice are held fairly between the Inspector of Taxes and the taxpayer; and, in order to carry out the original intentions of the legislature, the Commissioners are allowed, for all material purposes, despotic discretionary powers on matters of hardship."

That is a matter to which I wish to draw the attention of the House. Here is a body from which you can claim assessment as a matter of right and who are entirely independent of the Board of Revenue and who are absolutely unofficial people. Further on we find:

"The District Commissioners are *absolutely* independent of the Board of Inland Revenue and of any other Government department, except in irrelevant details such as increasing the number of Commissioners."

That is an important aspect of the assessment and of appeals therefrom. In a way the position is that from their decision it is often the collector of income-tax who claims a reference to the High Court just as the assessee can also do. I shall make one more quotation from another book called

"The Income Tax in Great Britain and the United States" by Spalding. On page 248, I find the following statement:

"The General Commissioners are theoretically responsible, in their respective divisions, for the assessment and collection of the tax. They are entirely independent of the Board of Inland Revenue, and are local, unpaid officers. There are about 5,600 General Commissioners in the 725 divisions into which the United Kingdom is divided. They are nominated by the Land Tax Commissioners, ordinarily from their own numbers. How the Land Tax Commissioners are nominated is a matter of mystery! The 1920 Royal Commission made an effort to fathom this mystery, but with no great success."

In a way the proposition that we have now before us is that they have devised a system by which you have an independent body which goes into these points of assessment and also which hears appeals in these matters. If that is so, then a good deal of the hardship caused to the people is generally avoided. I submit that as we are going to alter the whole basis of the income-tax, and as we are making an extraordinary increase, it is time that we changed the fundamental basis also of allowances and deductions and of the machinery of assessment. We have seen that in the previous year we had a slight increase in income-tax and there were loud protests on the floor of the House, and this year we are budgeting for an increase of no less than 5½ crores. I submit that this is such a serious and alarming proposition, this income-tax Budget is such a heavy Budget, which will press on the middle classes and the wage earning classes, that immediate steps should be taken in the present Income-tax Bill by the Honourable the Finance Member to mitigate the hardships that will be caused to the people. In this connection, there are a good many provisions of the Finance Bill which one may examine, but I take it there will be time enough to discuss them when the various clauses will be coming up for consideration. Therefore, I will leave it for the present at this. (Applause.)

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, first of all I will offer my sympathetic consolation to my Honourable friends, Dr. Ziauddin Ahmad and Raja Bahadur Krishnamachariar, for tilting their two lances, the lance of education and the lance of agriculture against the grinding mill of taxation of the Honourable the Finance Member. The Honourable the Finance Member has no mercy for education, nor for agriculture. He has the machine of torture—the mill of taxation. It is the machine of inquisition that goes on grinding the masses so that they can be squeezed out of life. Sir, the *Statesman* characterised the Budget as a Swadeshi Budget. My Honourable friend, Mr. Arthur Moore, is not present here, but I believe he was the writer of that article. I should think the Honourable the Finance Member brought out a Swadeshi Budget; if I could thank him on behalf of those that will occupy the Treasury Benches two years hence, I do thank him on behalf of those gentlemen that will replace him. Every new Government will be faced with new taxation and the Honourable the Finance Member has solved that problem and has so raised the taxation that the increased expenditure that will be required under a democratic Government,—as the Honourable the Finance Member himself mentioned it on another occasion—they will meet it from the heavy taxation which has been levied by the Honourable the Finance Member and for which he does not get any credit today from this side of the House, but he will indirectly get credit from those that will succeed him there. My Honourable friend, Sir Fazl-i-Husain, who is now smiling, I hope, will

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come by the other door and be a Member with us on the other side. Sir, since the Honourable the Finance Member made his announcement about the Retrenchment Committee, I have heard that there has been negotiation between the Honourable the Finance Member and the Leaders of Parties, and I understand that the Honourable the Finance Member has already changed his views about the scope of the enquiry of that Retrenchment Committee. I understand that negotiations are going on so that the Railways and the Army should form part of the enquiry by the Retrenchment Committee. If so, then I whole-heartedly support the idea of a Retrenchment Committee.

Another thing is this. Whether the Retrenchment Committee should consist only of Members of this House, and as the Honourable the Finance Member has subsequently conceded, a seat should be given to a Member of the other House, or better still there should be experts from outside from the country, these are matters which are to be settled between the leading Members on this part of the House and the Honourable the Finance Member. If this Retrenchment Committee is going to enquire into the Railways and the Army, the question arises whether there should be an official who has certain experience of the finances of the Army on that Retrenchment Committee and also, as the Honourable the Railway Member is so anxious that his affairs should be examined by experts—I believe he means technical experts—a technical man with railway experience may be added to that Committee, so that they can all go into the question of retrenchment thoroughly and comprehensively. But the Committee will not do any useful work, unless it has on its personnel an eminent Indian financier, who is not a Member of this House and who will carry on the necessary watch and compel the Government Departments to produce the necessary documents, which they are often chary enough to produce. If this Committee is at all going to come, it must sit soon and it must produce a Report by August or September next so that its recommendations are taken advantage of by the Honourable the Finance Member in retrenching his expenditure during the next six months of the Budget of 1931-32 and also in the next year's Budget. If that Committee chooses to

4 P.M. report in March or April, 1932, then there is no necessity for that Committee to work, because those who will succeed the Treasury Benches will not get any material help, and as the Honourable the Finance Member has limited the scope of the enquiry of that Committee, and said that it will not go into the policy of the Army and the Railways and the Services, it will be better that the Committee should not materialise. But if the Committee will report by August next, then I whole-heartedly support the idea of a Retrenchment Committee.

I give now certain points which the Committee ought to examine and whereby the expenditure can be reduced. In 1922-23, there was the wild cry of the Services that the index of prices had gone up and so they got the Lee concessions, whereby they got certain overseas allowances and increments in their salaries. The Honourable the Finance Member himself produced a Blue Book in which the Director of Statistics has shown that the prices have fallen. While the Honourable the Commerce Member spoke on the Railway Budget, he said that the prices had fallen only for the Indians and not for the Europeans, but I do not agree with him. But the statement which the Honourable the Finance Member has produced shows that there is a drop in prices in the index figures for those who live

on the European standard of living also. Therefore I say, without going into the policy whether at present there can be a reduction in salary of the services from what was fixed by the Secretary of State at the time of recruitment, the Committee can reduce straight away all allowances in the shape of overseas allowances, Lee concessions and special allowances, and I would go to the extent to say that if the Committee cannot reduce these high rates of salaries for the superior services, there is really no use of appointing a Retrenchment Committee. Then, Sir, there is the abnormal increase in the number of special officers whether in the Army or in the railways or in the civil side and they all get abnormal allowances. All these allowances should be revised and reduced. If they are to be given certain allowances, then let these allowances be fixed on the same scale as they are in the provinces. Let the allowances be fixed at Rs. 150 or Rs. 250. I know instances in the Railway Board where special officers get allowances as much as Rs. 700 or Rs. 1,000 per month when they do some special work. This is not economy but this is waste of public money.

About other points of retrenchment, I would suggest only one Department, that is the Public Works Department, which is generally known as the Public Waste Department, of which my Honourable friend, Mr. Shillidy, is in charge. Everybody knows that when Mr. Montagu visited India, he expected that 6½ crores of rupees would be spent on the new Capital of Delhi, but we now know that so much as 14½ crores were spent on it. I want to know what happened to the huge staff of Chief Engineers, Executive Engineers, Superintending Engineers that were employed under the P. W. D. Have they been discharged? I do not know and I do not believe that any staff has been reduced. They have all been absorbed in the P. W. D. to look after the drains and roads and building repairs of Delhi and the North-West Frontier Province civil works. There must be retrenchment in the P. W. D. and some of the posts of Superintending Engineers and Chief Engineers and Executive Engineers should be abolished. The whole of the Delhi Public Works Department can be managed by a Superintending Engineer or an Executive Engineer with a few Assistant Engineers. That is a side of retrenchment which the Committee ought to look into.

Then the other day my Honourable friend, Sir Joseph Bhore, pointed out that the Committee of my friend, Sir Cowasji Jehangir, which is going to look into the Postal Accounts will look also at the side of Postal retrenchment, and my Honourable friend, the Finance Member, also said that. But I said that there is no scope for that. I said the other day that already the Postal Department is going on with an increment of salaries owing to a mistaken policy to which, on account of appeals from this side of the House, Sir B. N. Mitra succumbed; and they have given a scale of salaries by which, as my friend, Sir Joseph Bhore, said, the expenditure of the Postal Department would be increased by another 50 lakhs. So I suggested about three years ago, and I suggest it once again, that the Postal Department should take steps to have combined post offices. The Postal Department already has Postmasters General who combine both telegraph experience and postal experience. They have got a combined man, a telegraph man, who controls the post office and the telegraphs, in Bombay and also I think in Burma. They should adopt that policy whereby certain high officers' posts can be abolished. Not only that, but

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even in the smaller post offices, if they have combined post and telegraph offices, much of the staff can be reduced. Of course in the Postal Department, as my Honourable friend, Sir Cowasji Jehangir, will find when he goes into the details, there is a particular vested interest, the vested interests of telegraphists in Bombay and Calcutta as confined to the Anglo-Indian community. That is a thorny question, but that is a question which should be gone into, and it should also be considered whether a certain number of posts should be specially reserved at high salaries for a certain class whereby the losses of the Postal Department run into high figures. I may also mention the trunk telephone extensions whereby much loss is still being incurred. That point also should be gone into by the Retrenchment Committee.

Sir, about railway retrenchment we discussed it thoroughly at the time of the Railway Budget, and I hope the Retrenchment Committee will go into those criticisms and suggestions which were advanced from this side of the House.

As regards the Military Department I am glad that the Finance Member has thrown it open to be examined by the Retrenchment Committee. There are many special officers who knock about in Simla Army Headquarters with special allowances. It is well known that very recently British Army officers have had their salaries reduced by 8 or 10 per cent. I should like the Committee and also the Finance Member to examine whether similar reductions have simultaneously taken place in India and whether the allowances that Army officers get in India are not abnormal. I do not want to refer to the capitation charges because those will be altogether matters of policy which I hope my Honourable friend, Sir Cowasji Jehangir, will look into when he visits England for the next Round Table Conference.

Sir, I pointed out one thing in connection with the Railway Budget and I point it out again today. I find that as we are nearing the day of the transfer of control from the Treasury Benches to Indians, the expenditure on the non-voted side is going up abnormally. I challenged the Railway Department and at last after two or three challenges Mr. Parsons was pleased to say that they have no hand in it but it is the Secretary of State's order that the salaries of certain officers should be transferred to the non-voted side. I find the same thing in the Finance Member's Budget. I find that under Customs, from 2 lakhs 88 thousand it has gone up to 3 lakhs and 53 thousand; under Income-tax it has gone up from 2 lakhs 43 thousand to 4 lakhs and 12 thousand. I am comparing the figures of 1930-31 with those of 1931-32. Under Salt it has gone up from 17 thousand to 36 thousand; under Ports and Pilotage from 6 lakhs 55 thousand to 7 lakhs odd; under Meteorology from 39 thousand to 88 thousand; under the Indian Stores Department—which was supposed to be completely under the administration of this Legislature—it has gone up from 45 thousand to 1 lakh and 90 thousand; and I find that in the headquarters of the Indian Stores Department it has gone up from 36,700 to 1,48,000. Under Ecclesiastical, which is a Department which nobody wants, and which is completely non-voted, the expenditure has gone up from 29 lakhs 95 thousand to 30 lakhs and 17 thousand; and under Foreign and Political, which is my friend Mr. Acheson's Department and where he can spend anything he likes, it has gone up from 1,87,000 to 2,34,800.

Is it that the Secretary of State who sits at Whitehall wants not only that those Europeans who were recruited at home should be protected but that certain Anglo-Indians and country-born Europeans who were recruited here for subordinate posts should be also linked up with the non-voted side, so that when we get the control we will not be able to reduce their salaries or posts or ask them to leave their posts when we find that they are unfit for their posts? This is a very dangerous principle that has been introduced, and at a time when the control of the purse and power is going to be transferred from that side to this side.

Sir, I will now go into the system of new taxation. My friend, the Finance Member, has introduced various taxes. The other day my friend, Mr. Heathcote, suggested certain new taxes. He felt very sorry that income-tax was going to be put up and he suggested that *pan* should be taxed. Of course I did speak on it that day but since then I have studied the problem thoroughly and today I will say that the Finance Member can safely reduce the taxation which he has proposed under Income-tax and certain other heads and can increase the taxation under certain other heads. Sir, I suggest that there should be an equalising duty on kerosene oil. The Finance Member said last year that he has gone half-way in the matter of raising the excise duty on kerosene; I thought he would this year go the whole way. He went half-way last year and brought up the excise duty nearer to the duty on import. If he had got that figure equalised and kept at the figure of 3 annas I think the Finance Member would get another 52 lakhs more. Then I suggest to him that he has not put any excise duty on lubricating oil. Last year he found that there was no excise duty on the silver that is produced in India and he brought up a Bill before the House to do away that irregularity. But why not levy an excise duty on lubricating oil manufactured by the Burma Oil Company and the Attock Oil Company? Why not levy an excise duty on those lubricating and other oils? They are used mostly by rich people, like factory owners, millowners and motor car owners, and they can very easily afford to give a little bit more extra money and from this my Honourable friend can at least get another Rs. 5 lakhs, if not more.

I suggested the other day, and I again suggest, that my friend should put a duty on veneers and match splints. He knows that today the Swedish Trust, which is working in India, is proving to be a dangerous rival to the Indian match industry and that it imports not only planks and logs but also splints and veneers cheap. I think these duties can be doubled and my friend, Mr. Shankar Rao, can tell the Honourable the Finance Member how much extra money will come in thereby. The duty can be doubled or even trebled—I do not mind; but this Swedish Trust is proving to be a menace to the infant Indian match industry into which the Tariff Board was asked to inquire, but no action was taken by the Honourable the Commerce Member.

About kerosene I may say incidentally that I am supported in my suggestion by Sir Walter Layton who does not feel that an equalising duty will be a hardship to the oil industry in India. The subject was thoroughly discussed last year and my friend, Sir George Rainy, said that those oil industries were getting very huge profits—30 per cent. or more on their capital—not the original capital but on those shares which they have got as bonuses

The Honourable Sir George Schuster: Can the Honourable Member tell me exactly what his proposal is, at what figure he proposes to equalise the duty?

Mr. B. Das: I would suggest to equalise both—either at 2 as. 3 p. or at 3 annas because the Honourable Member is hard up: I do not mind which; because as I said, the Congress will come in next year or the year after and any heavy taxation at that time will make them unpopular in the country.

I am grateful to my friend, Mr. Jamal Muhammad, who presented the difficulties about the tanning industry of India. The currency policy of the Honourable Member's predecessor has reduced the 5 per cent. duty on export of hides and skins to nothing; it does not give the tanning industry any protection. If the Honourable Finance Member really wants any money, he could have put 15 per cent. or even 20 per cent. duty on hides and skins and thereby he would get a pretty good sum.

An Honourable Member: You mean an export duty?

Mr. B. Das: Yes.

Another Honourable Member: And kill the industry altogether?

Mr. B. Das: We must protect the Indian tanning industry and shoe industry and that is what the Madras tanning industry is trying to do. I am speaking on behalf of the Indian tanning industry and I am not speaking about the Indian skins merchants who make a little money by exporting skins

Dr. A. Suhrawardy (Burdwan and Presidency Divisions: Muhammadan Rural): The interests of the Madras people or the interests of the Bengal people?

Mr. B. Das: In the interests of Bengal I hope the day will come when my Honourable friend will not appear in a pair of foreign shoes, but put on shoes manufactured in Bengal. I think Bengal is producing a good number of shoes in her own tanneries: there is the Bengal Tanneries and a number of other companies

The Honourable Sir George Schuster: If the exporters make only a little money, as my Honourable friend says, will he tell me how I shall be able to raise a large sum of money by raising the export duty?

Mr. B. Das: I think the Finance Member knows better than I do. At present he is getting 27 lakhs. At 15 per cent. he will get something like three times that or perhaps a little less

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): How much tanned leather do they make against the export of skins?

Mr. B. Das: I am talking on behalf of those who want an export duty levied on Indian hides and skins. We want the Indian tanning industry to be self-supporting. In India there should be sufficient boot and shoe factories and they should not be competed with by foreign shoes imported from America or England. That is what we want.

For this year I have suggested only these five methods of taxation which will not affect the poor man; nor will they affect the lower middle classes, but at the same time they will bring in a large sum—probably a crore and a half or two crores to the Honourable the Finance Member's coffers.

I do not want to discuss anything about the ways and means Budget which my Honourable friend, the Deputy President, discussed the other day so elaborately and so ably. I was not present that day but I read last night the reply of the Finance Member and I am sorry I could not agree with him, although he accused the Honourable the Deputy President that he was biased with the views expressed in the Indian Finance. I do not know whether the Finance Member realises that the situation is getting very alarming. As my friend, the Honourable Mr. Shanmukham Chetty, said, his Paper Currency Reserve has gone down to 5 crores, and I do not know whether he will leave a solvent exchequer to his successor, the Congress Party, when they occupy the Treasury Benches, but, Sir, it is a very alarming position and I entirely agree with every word that fell from the Honourable the Deputy President. The Finance Member has done India a great honour by saying on several occasions that India's credit stands high; but what is the use of talking of India's credit when India's reserve is almost wiped out? Whether the process that Mr. Chetty suggested is right or not, some process must be adopted so that the Paper Currency Reserve should be increased. It is no use leaving an empty exchequer to his successor who will not be an Englishman as he knows right well and then damn him by saying that with the Congress coming into power India's credit went down. That is the charge which the present Finance Member should answer and not his successor.

Sardar Sant Singh (West Punjab: Sikh): Sir, being a new Member of this House and not being accustomed to tackle these vast problems of money, I naturally feel shy to contribute my quota to the discussion on the Budget. There are certain points in the Budget which strike a new man as if the whole of India is out of order. On the very first year of his coming to this Honourable House, one finds that there is a deficit of over 17 crores of rupees. This big figure frightens one away, and one begins to feel as to how it is that this country is being administered. Looking at the thing from this point of view, I find that four things strike me in studying the Budget. These four things are, that the military expenditure of this country is beyond the means of the people of this country. It is a colossal figure,—55 crores to be consumed by the military people of this land where there is no disorder and where there is no fear of any foreign invasion either, and yet a large part of the revenues of this land is being devoured by a giant in the shape of military organisation

Captain Sher Muhammad Khan Gakhar (Nominated Non-Official): Most of it goes to your community.

Sardar Sant Singh: Oh, yes, it does go to them, but if you take up paper and pencil in hand and calculate, you will find that my province and my community and your community combined do not get even a fraction of all the expenditure that is spent on the military. Most of it is devoured by the British troops which are known as the troops of occupation or as some call them, internal security troops. You and I get a very small part of it.

[Sardar Sant Singh.]

The second point which strikes me is that the form of administration which is carried on in this country is highly extravagant. The pay and salaries of officials both on the civil side as well as on the military side are on a scale which cannot be found in any part of the world. I base my conclusion on comparison of the per capita income of an Indian with the per capita expenditure on administration.

The third point which strikes me is that there has been a vast increase in taxation since the reforms were introduced in 1920. During the last decade with the exception of two years, we find that there have been a series of deficit Budgets, and they have all been met by raising taxation to the maximum capacity of the people. Now, my submission is that when the taxation is increased to a great extent, one certainly begins to question whether the administration that is carried on on such a lavish scale does anything to raise the average income of an Indian. Has it raised the average income of an Indian during the last decade? These are questions which require to be considered carefully. With regard to the first point, the chief source of income of an Indian is agriculture. Sir, I do not belong to the agricultural community. My friends who belong to the agricultural community have demonstrated the hollowness of the steps taken by successive Commissions of Inquiry appointed from time to time to increase the productive capacity of the cultivator. Though I am not a cultivator myself, yet my own dealings are with the agriculturists, and I find that the agriculturists are going down economically.

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

I come from a district which is considered to be the most prosperous district of agriculturists where irrigation has made life easy for the cultivators. Even in this district it will be found that during the last year or so the income of the agriculturists has gone down considerably—where at one time prosperity reigned, there is adversity today. People are reduced to much misery, and it is with very great difficulty that they have been able to meet the land revenue demand for the Kharif. From my own constituency I have received complaints to the effect that in one case land revenue has been paid by the cultivator by mortgaging his children. I can give the name and address of this person. This is how revenue has been paid this year. In one case there was nothing but an earthen pot left in the house of a cultivator, the rest he was compelled to sell in order to pay the land revenue. Now when such conditions prevail in a part of the country which was the most prosperous in the whole of India, what would be the conditions elsewhere? I do not know why the administration is sitting quiet and is feeling happy, when the whole country is burning. What has the administration done to help the agriculturists? That is the question. The other day when the general discussion on the Budget was going on, pointed references were made to the condition of the agriculturists, and it was expected that the Honourable the Finance Member would say something in his reply as to what he proposed to do to improve the condition of the agriculturists in India, but to the great disappointment of all of us, not a word was said about the agriculturists, not a reference was made in the whole of his speech. The whole complaint was quietly shelved for reasons best known to the Government. Now, my submission is that, unless some help is forthcoming in

the near future for the agriculturists, the conditions in the Punjab at any rate will go from bad to worse. The conditions that prevailed in the Punjab may best be illustrated by quoting a few passages from this book entitled "The Punjab Peasant in Prosperity and in Debt" by Mr. Darling. At page 20, after discussing the condition of the peasantry in the Punjab, he sums up the results of his statistical study as follows:

"It now only remains to sum up the statistical results of this very statistical chapter, and in doing so we should remember that they are essentially tentative. They are as follows:

1. Only 17 per cent. of the proprietors of the province are not in debt.
2. Mortgage debt is probably not more than 45 per cent. of the whole.
3. Average debt per indebted proprietor is Rs. 463.
4. Proprietors' debt amounts to 75 crores or 15½ times the land revenue, and total agricultural debt is 90 crores, or 19 times the land revenue.
5. The larger proprietor is more highly indebted than the smaller, but the latter is more heavily involved."

Now about the tenants he says:

"Debt is almost as widespread amongst tenants as amongst proprietors, but it is much lower in amount, averaging only Rs. 150 per family."

The total agricultural debt of the province averages Rs. 31 per cultivated acre, and Rs. 76 per head of those who are supported by agriculture.

This is probably less than a year's gross income, and in the case of proprietors it is roughly equal to three years' net income of their land.

Annual interest charges amount to over 15 crores, or nearly three times the total land revenue of the province."

Now, Sir, these are the conditions in which the agriculturist is living in the Punjab. With the high indebtedness and with the present low level of prices of agricultural produce, one would not wonder if the administration, which does not care to look to the interests of agriculturists even in the light of all the facts placed before them by their own officers, may find agrarian disturbances breaking out at the next harvest. If no adequate steps are taken to raise the prices of agricultural produce, it will be almost impossible for the peasants to meet the land revenue demand of the next harvest. A modest approach was made by me to His Excellency the Governor General to get His Excellency's sanction to move an amendment in this House for levying an import duty upon wheat which is being dumped into the ports of India by Australia and other countries, but my application has been declined with the remark that His Excellency the Governor General is unable to give sanction to move the amendment. This creates a serious situation, and I will tell the Honourable the Finance Member that, in order to do something for those who are providing him with the sinews for carrying on the administration, some steps should be taken to raise the level of prices of agricultural produce. (Mr. B. V. Jadhav: "And make foodstuffs dearer.") Dear foodstuffs will mean more prosperity and not less, because you cannot change the land revenue system. If you are to reduce the land revenue proportionately, if you are to reduce the prices of other things proportionately, then you can certainly say that a lower level of prices of foodstuffs means prosperity for the general population of the country. But if the land revenue remains the same, if the other taxes remain the same, if the salaries remain the same, in that case, how can you expect any cultivator to meet your demands?

[Sardar Sant Singh.]

Now, coming to the military expenditure, I beg to submit that this has been a complaint of this House for the last ten years, and yet no steps have been taken to remedy the evil. The only thing which gives me some consolation now is that the Honourable the Finance Member has accepted the suggestion that the proposed Retrenchment Committee should go into the question of the military expenditure as well, but with this proviso that the question of policy will not be touched. This is a big proviso, but I hope that, in order to reduce the burden of taxation, some concession, some indulgence will be shown to the Retrenchment Committee to go into the question of policy wherever that does not stand in the way of the security that the country enjoys from foreign aggression or internal disorder.

The next point to which I attach a good deal of importance is the most extravagant system of administration that is still being maintained in India. On this point, I may refer to the speech of the Honourable the Finance Member at the time when he introduced the Budget. In paragraph 50 of that speech he at any rate recognises the prevalence of this complaint. He says:

"A good deal has been said and written on this subject lately, and attention has been directed to reductions in the pay of Government servants which have recently been effected in other countries. The subject has also been ventilated in the discussion on the Railway budget, so that, to that extent, I am not treading on new ground in this House. It is an extremely difficult subject and one on which clear thinking is essential."

Further on, in paragraph 51, he says:

"It is often brought as a charge against British administration that India, a poor country, has been burdened with a heavy load of pay for costly officials at the top, specially British officials, and that the money required for education and other beneficial services, cannot be available until this burden is drastically reduced."

In these two paragraphs the complaint is recognised. The justification offered by the Honourable the Finance Member is in the next sentence. He says:

"If the matter is to be discussed on these lines, it is essential to be clear as to the facts."

And what are those facts on which the Honourable the Finance Member wants us to be clear? Let me read further from the same speech:

"But perhaps at this point, I, as one who brings an outside vision to bear on this subject, may be allowed to express the view that no country has ever had more devoted and self-sacrificing work, or, to descend to material grounds, better value for her money, than India has had from her Civil Services."

Well, the House will excuse me if I demur to that statement of the Honourable the Finance Member. In the old days, when people had not been awakened to their rights and did not complain about repression which was practised here and there, there was no trouble; but as soon as education advanced and the political rights came to be realised, it was discovered that this very Civil Service had entirely failed in discharging its duties towards the people of this land. It is largely writ on every phase

of administration of the country. The great poverty that is prevailing in the country today is the result of its administration. The disturbances of 1919, and later on, of 1923, and the disturbances of last year—are they not due to the inefficiency of the Civil Service in this country? They are. Why go so far back? Take the case of the civil disobedience movement, to which it is being said the present deficit Budget is due. May I ask the Honourable Members opposite, when they have conceded the principle of the Round Table Conference this year, why did they not concede it in 1922, 1923, 1924, when the demand was made by popular leaders like Pandit Madan Mohan Malaviyaji and Pandit Motilal Nehruji from the floor of this House? Why did they not concede that when they knew that the country was discontented with the present system of Government? When the Calcutta Congress gave one year's ultimatum to the administration that they would declare complete independence as their goal if steps were not taken to give a further advance in the reforms, why did the Civil Service wait till November 1929? And why was a halting reply given to Mahatma Gandhiji when he demanded certain assurances before going to the Round Table Conference? If they had vision and imagination, they should have recognised the people's rights in time, and thus I think most of the trouble would have been avoided. Then what happened during the last year—a year which I consider to be a year of Ordinances, when ordinary laws were as a matter of fact put aside and extraordinary laws promulgated? The members of the Civil Services committed blunders in dealing with the situation in the country; why should they not be made to pay for the deficit that has occurred on that account? If the Secretary of State sitting in England, or His Majesty's Government in England, did not realise fully the significance of the movement in India, why, Sir, should not the English exchequers be made to pay for the deficit that has occurred? The Honourable the Finance Member praises the Civil Services and says that they have given a good account of the salaries that they have been getting. Ah! I will illustrate it further by referring to what happened during the last year? A man goes to sleep without being conscious of having committed any offence. He wakes up in the morning to find himself a criminal. He committed no act during the night and was guilty of no omission. Then why and how did he come to be an offender? He is met with the reply that an Ordinance has been issued declaring the Naujawan Bharat Sabha an illegal association and that he was a member of it when it was not illegal to associate with it. Is it not a fact that hundreds, if not thousands, of young men were sent to jail, without knowing that they had been declared to be members of an illegal association. Protest after protest was raised before the trying Magistrates, but thanks to the combination of executive and judicial functions in the same officer—the Magistrate took no notice of legal objections, because a Magistrate in the mufassil is nothing but a recorder of the decrees of the executive. The judicial officers sentenced men to varying terms of imprisonment, till the High Court pronounced all those convictions to be illegal. May I ask whether the Government of India was sleeping then? May I ask if the members of the Civil Service did not care to issue the necessary instructions, to see that the people understood the position when the Ordinances or the announcements were made? All this suffering was brought about by the lack of grasp of the situation by the members of the Civil Services and the same thing is happening today. After the settlement with Mahatma

[Sardar Sant Singh.]

Gandhi has been brought about, the Provincial Governments are not carrying out the instructions of the Government of India. I recently visited my place, and I found that many *satyagrahis* are still in jail, who are in some cases not guilty of violence at all and in others if they are guilty of violence at all it is technical violence alone. One illustration I want to place before this House. Certain young men got into a court room after the Magistrate had left the court. One young man sat in the chair and they held a mock court. One became a Public Prosecutor, one a defence counsel. The mock trial of the Magistrate was held. The public prosecutor pressed for the sentence of death to be given to the Magistrate who was the accused. The defence counsel argued that, because he was in the pay of the Government, he was bound to carry out the orders of Government. The person sitting in the chair said, "All right. Because he is an Indian, I do not want to give him the extreme penalty of law. I will send him to seven years' imprisonment". This was the mock trial. Then the police came and there was a hue and cry. The room was surrounded, and although the whole thing was only a play and a freak, those persons have been put in jail and they are in jail up to now. There was no violence and yet they have not been released. After all they only wanted to ridicule justice. Whether they did it rightly or wrongly, that is not my concern but one expects to treat it as a political case and those men have not been released in the liberal spirit in which the agreement was to be worked out. I have got five other cases with me in which the settlement has not been worked in the proper spirit. Therefore, I even now say that this praise bestowed on the Civil Service—that they are discharging their duty as public servants—is not the right sort of thing to say. I demur to this. I say that even now, when we are passing through a transition period and a period of negotiation—I do not know what may be the outcome of these negotiations—it is only simple honesty that both sides should keep to the spirit of the agreement and release the prisoners. I am not speaking of Lyallpur alone. I was reading the *Tribune*, the leading paper of my province, and I find that this is the general complaint in the Punjab, that the political prisoners have not been so far released. I bring this to the notice of the Treasury Benches so that they might remedy the evil even now. My friend, Mr. B. Das, tells me that the same complaint prevails in Bihar also. Not only this. There is one case in the North-West Frontier Province. I put a question about Tota Singh, who was interned under the Frontier Regulation Act. Though that question was put on the 11th February, 1931, the reply was only communicated yesterday. The reply is worth perusing. The facts of that case are that one Tota Singh was interned. He was not informed of the charge against him. He was not tried. He was sent away from Peshawar and interned in a village called Lukki in Bannu district. Questions were asked as to what were the charges against him, whether he made several applications to the North-West Frontier authorities, whether his letters were acknowledged, whether he was given any reply. What was the answer? The answer is a typical answer. It was this:

"Four representations were received from Tota Singh, the main object of all of which was to secure an increase in his allowance. In his first petition he made no mention of his ignorance of the offence for which he had been interned and there was no suggestion that the order was unjust."

as if it was for him to say that—

"In his later petitions, he protested his innocence but no reply was sent to these as there was no reason to believe that he was not fully aware of it."

Now, this is the sort of answer from the administration which is directly under the supervision of the Government of India. They admit that no reply was sent because the office in the North-West Frontier Province presumes that Tota Singh knows the charge. Now, there are only two ways of knowing it—firstly, by the warrant of arrest, and secondly, by the charge being read over to him. This is not alleged. Then there is a third way of obtaining information surreptitiously. How does the administration know that he knew the charge? Is it not a simple courtesy for any administration to acknowledge the letters received, especially from a person who is being detained without trial? The last portion of the reply is still significant:

"He was interned on the 30th May 1930. The Regulation under which he was interned ceased to be in force with effect from the 9th March 1931. The reply to the third part of the question is in the negative, and the last part does not arise,"—

and the last part was,—

"How long has Tota Singh been interned now, and when do Government intend to release him?"

There was no reply, though the Regulation ceased to have effect from the 9th of March, 1931. The ordinary law is that when a Regulation or Ordinance ceases to have the force of law, then *ipso facto*, automatically, the offence goes away and the person charged is entitled to discharge or acquittal. That is a very simple proposition of law. But in this case the reply is not that he has been released or he has not been released. There is no such reply. The reply is that the Regulation has ceased to exist, and the answer to the third part—whether Tota Singh offered to be tried by a judicial court—is in the negative and certainly the next question did not arise. Now my submission is that even now, whatever Tota Singh's fault is—and the fault stated in this reply is that he tried to interfere with the loyalty of the troops, that he attempted to undermine the loyalty of the troops and at a critical time inflamed feelings against the Government—now without trial, one cannot say how far this accusation is true, and how far it is wrong, but if the Administration has not material enough to put the man on trial, they should take the very first opportunity to release him when the general atmosphere is better and the danger is gone. But nothing of the sort has been done.

Mr. President: Order, order. I should like to ask the Honourable Member how long he proposes to continue.

Sardar Sant Singh: For half an hour or more, Sir.

Mr. President: The House will now adjourn till Eleven of the Clock tomorrow.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 18th March, 1931.

LEGISLATIVE ASSEMBLY.

Wednesday, 18th March, 1931.

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

QUESTIONS AND ANSWERS.

REPRESENTATION OF THE CENTRAL LEGISLATURE AT FURTHER MEETINGS OF THE ROUND TABLE CONFERENCE.

997. *Diwan Bahadur T. Rangachariar: Will Government be pleased to state whether they are taking steps to secure an adequate representation from the Central Legislature at the further discussions as to the framing of the future constitution for India at the Round Table Conference? If so, what are they?

The Honourable Sir George Rainy: The question is one which falls primarily within the province of His Majesty's Government and not of the Government of India, whose function is confined to drawing the attention of His Majesty's Government to all considerations bearing on the matter which seem to them important. They are aware, however, of the strong feeling on the subject which exists among Members of the Legislature, and they have brought the matter to the notice of His Excellency the Governor-General.

GRANTS FOR EDUCATION, ETC., GIVEN TO THE NORTH-WEST FRONTIER PROVINCE AND AJMER-MERWARA.

998. *Rai Sahib Harbilas Sarda: (a) Will Government be pleased to state in the form given below the grants given or promised to be given to the North-West Frontier Province by the Government of India:

Year.	*Education.	Sanitation and Health.	Agriculture.	Other subjects.
1929				
1930				
1931				

*Apart from the quinquennial programme.

(b) Will Government kindly give the same information in the same form for the same period with regard to Ajmer-Merwara and Delhi?

Mr. J. G. Acheson: Three statements showing the budget grants made by the Government of India for the North-West Frontier Province, Ajmer-Merwara and Delhi are laid on the table. As the budgets are framed for official years and not for calendar years, the figures for the financial years 1928-29, 1929-30 and 1930-31 have been given. The figures under the head "Education" have been divided into two parts, one showing the grant for the Five Year Programme and the other showing the grant apart from that programme.

Statements showing the Budget grants made by the Government of India for the North-West Frontier Province, Ajmer-Merwara and Delhi in 1928-29, 1929-30 and 1930-31.

Year.	Education.		Public Health.	Agriculture.	Other Subjects.
	Excluding Five Year Programme.	Five Year Programme.			
	Rs.	Rs.	Rs.	Rs.	Rs.

STATEMENT A.

North-West Frontier Province.

1928-29	14,03,321	5,13,679	1,09,000	1,82,000	3,05,39,800
1929-30	14,45,110	5,74,890	1,09,000	2,13,000	3,32,52,900
1930-31	14,38,281	6,42,719	1,29,000	2,51,000	3,54,78,900

STATEMENT B.

Ajmer-Merwara.

1928-29	2,81,800	1,11,000	4,200	46,000	26,90,000
1929-30	2,89,800	1,41,000	4,500	44,300	27,31,400
1930-31	3,27,000	1,45,600	4,300	45,300	28,60,800

STATEMENT C.

Delhi.

1928-29	6,77,000	2,42,200	2,60,100	58,500	1,01,96,200
1929-30	7,08,200	2,70,300	2,02,000	63,200	1,14,79,300
1930-31	7,31,000	2,82,500	1,92,200	69,600	1,09,48,700

INTRODUCTION OF COMPULSORY PRIMARY EDUCATION IN AJMER-MERWARA.

999. *Rai Sahib Harbilas Sarda: (a) Have the Government of India taken into consideration and, if so, with what result, the Primary Education Committee's Report of 1929-30?

(b) Do Government propose to give immediate effect to the recommendations of the Primary Education Committee regarding the introduction even in the restricted form proposed in the Committee's Report, of compulsory primary education in Ajmer-Merwara? Has the proposal been strongly supported by the authorities in Ajmer?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) and (b). The Report is still under consideration. As regards the latter portion of part (b) of the question, Government have no information other than that contained in the Report, copies of which have been placed in the Library of this House.

Rai Sahib Harbilas Sarda: May I have some information as to when action is likely to be taken on the Report of the Primary Education Committee? It is nearly a year since the Report was submitted to the Education Department and the question of extension of primary education is of very urgent importance. I should like to know when Government hope to consider the Report and pass final orders thereon.

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: As regards the consideration by the administrative Department concerned, it is hoped that in the course of the year a decision will be taken. As to taking actual action executing the decision that depends very largely upon the financial conditions that will prevail next year.

Rai Sahib Harbilas Sarda: Sir, I do not propose to put my question No. 1000.

ABNORMAL INFANTILE DEATH-RATE IN AJMER AND BEAWAR.

1001. *Rai Sahib Harbilas Sarda: Will Government state the steps taken to reduce the abnormal infantile death-rate in Ajmer and Beawar, which they promised to do in answer to my question last year?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: I regret to have to inform the Honourable Member that it has not been possible for Government to include any provision in next year's Budget for grants in aid of the Municipal schemes for the improvement of sanitation and health conditions at Ajmer and Beawar which were mentioned by Sir Frank Noyce in reply to questions put last year and to which the Honourable Member is presumably referring. The question was considered at the time the Budget was under preparation, but the Beawar scheme was reported not to be ready and though the Ajmer scheme was more advanced, no grant in aid could be provided next year owing to the prevailing financial stringency. The question will be re-examined in connection with the Budget of 1932-33. In the meantime, a good deal is, I am informed, being done towards improving local sanitary conditions and reducing the infantile mortality rate by local relief organisations, such as the Lady Chelmsford Maternity and Child Welfare League.

PROVISION OF INTERMEDIATE CLASS ACCOMMODATION ON, AND INCONVENIENT TIMINGS OF, THE GRAND TRUNK EXPRESS BETWEEN DELHI AND MADRAS.

1002. *Rao Bahadur M. C. Rajah: (a) Is it a fact that there is no intermediate class accommodation provided on the Grand Trunk Express which runs between Delhi and Madras?

(b) Are Government aware that the lack of intermediate class accommodation is seriously affecting the popularity of the train among those who generally patronise that train?

(c) Is it a fact that, of the three railway sections, through which the Grand Trunk Express passes, the Great Indian Peninsula Railway and the Madras and Southern Mahratta Railway provide intermediate class accommodation on their other trains, and that only the Nizam's State Railway do not provide such accommodation on their trains?

(d) Are Government aware that the section traversed by the Grand Trunk Express on the Nizam's State Railway is only about 250 miles out of a total of about 1,360 miles, and do Government propose to take steps to see that the Nizam's State Railway are not allowed to stand in the way of introducing intermediate class accommodation on the through train between Delhi and Madras?

(e) Are Government aware that there is great dissatisfaction among the travelling public at the inconvenient hours of departure and arrival at Madras, and the inconvenient arrival at Delhi of the Grand Trunk Express?

(f) Are Government aware that, in spite of Mr. A. A. L. Parson's answer to my question No. 192, dated the 16th July, 1930, the original timings of arrival and departure have not been materially changed even in the revised timings from 1st March, 1931, to suit the convenience of through distance passengers?

(g) Are Government aware that the Grand Trunk Express takes a long time to cover the distance between Delhi and Madras, whereas similar fast trains take a much shorter time to cover the same distance? Do Government propose to consider the advisability of instructing the railway administrations concerned that they must accelerate the speed of the train so as to cover the distance in not more than 45 hours at the utmost?

(h) Are Government prepared to take the earliest opportunity of changing the departure time from Madras to about 10 A.M. and arrival time there to about 5 P.M., and also the arrival time at Delhi to about 7 A.M.?

Mr. A. A. L. Parsons: (a) to (d). The Nizam's State Railway have now agreed to carry intermediate class passengers by the Grand Trunk Express, but as they have no intermediate class passenger coaches, steps are being taken to see whether such coaches can be provided by other railways for this service.

(e) From the 1st March, 1931, the south bound Grand Trunk Express is scheduled to leave Delhi at 8.35 p. m. and to arrive at Madras at 7.50 p. m. The north bound train is due to leave Madras at 7.50 a. m. and to reach Delhi at 9.25 a. m. Government are not aware that these timings are considered inconvenient.

(f) From the 1st of March the arrival and departure times at Madras have been altered so as to give a greater interval of time for through passengers between the Grand Trunk Express and the Ceylon Boat Mail trains. For south bound passengers the interval has been increased from 25 minutes to 1 hour and 10 minutes and for north bound passengers from 30 minutes to 1 hour and 5 minutes.

(g) and (h). The average through speed of the up and down Grand Trunk Express trains is 28 miles an hour, including halts. Government cannot take part in the preparation of time tables or in decisions as to the speeds at which certain trains should be run, but I will have a copy of the Honourable Member's question sent to the Agents of the railways concerned.

Mr. C. S. Ranga Iyer: Sir, in regard to the Honourable Member's reply to part (e), may I just put a supplementary question? The Honourable Member said that the departure time from Madras would be 7.50 a. m. Will the Government be pleased to consider the advisability of making the departure time 9.50 a. m. instead as it will be of great convenience to the travelling public, especially the Madras public coming from a long distance?

Mr. A. A. L. Parsons: I will bring the Honourable Member's suggestion to the notice of the Agents of the railways concerned. But the position with regard to this train is that though we desire to see the speed increased, so that the hours of departure from Madras and arrival at Delhi could be altered in the direction which the Honourable Member wishes, he must not expect that we can do it suddenly. Generally with these important trains, after we have cut off an hour or so we have to wait for, say, six months and see how the new timing works and whether the train runs to time; before we can start considering whether we can cut off another hour or so.

Diwan Bahadur T. Rangachariar: Will the Railway Board have an eye on that Grand Trunk Express, so as to make it more popular from time to time?

Mr. A. A. L. Parsons: We have had an eye, a very watchful eye, on this particular train and I think it is for that reason that some improvements have already been made.

BOAT HIRE GRANTED TO POSTMEN IN RIVERINE DISTRICTS.

1003. *Mr. Goswami M. R. Buri (on behalf of Mr. D. K. Lahiri Chaudhury): (a) Is it a fact that the boat-hire granted to postmen, runners and other staff for the delivery of articles in the rains in the riverine districts of Eastern Bengal is sanctioned at a rate without taking any note of the local prevailing rate?

(b) Is it a fact that the principle adopted by the Local Government in granting boat-hire to process-serving peons is not applied when granting the same to the postmen of the same locality?

(c) Will Government be pleased to place on the table a statement showing:

(i) the number of boats engaged, and

(ii) the number of rowers entertained in the Eastern Bengal districts?

(d) Is it a fact that the postmen are required to be recruited from a class of men who know English?

(e) Are Government aware that the water channels at many places in the riverine districts of Eastern Bengal are blocked by water hyacinth?

(f) Will Government be pleased to state the arrangements made for plying a boat where no rower is entertained for the boat?

Mr. H. A. Sams: (a), (b), (e) and (f). The Honourable Member's attention is invited to the reply given by the Director-General of Posts and Telegraphs in his demi-official letter No. 248-Est.-A.29, dated the 5th May, 1930, to Khan Bahadur Sarfaraz Hussain Khan's unstarred question No. 119 in this House on the 2nd September, 1929. A copy of the letter is in the Library of the House.

(c) Government have not the information and do not consider that the expenditure of time and labour involved in obtaining it from the local officers would be justified by the public interests to be served.

(d) So far as knowledge of English is concerned, postmen must be able to read and write numerals, while ability to read addresses written in that language on postal articles is considered a very useful though not an indispensable qualification.

REMOVAL OF GRIEVANCES.

1004. ***Mr. Goswami M. R. Puri** (on behalf of Mr. D. K. Lahiri Chaudhury): (a) Has the attention of Government been drawn to the article entitled "Monsoon charges—Justice?" appearing on pages 259-261 of the July, 1925, issue of the *Labour*?

(b) Will Government be pleased to state what action, if any, has been taken to remove the grievances outlined in the article?

(c) If the answer to part (b) above be in the negative, do Government contemplate taking any action in the direction to remove the grievances?

Mr. H. A. Sams: (a), (b) and (c). No copy of the *Labour* of July, 1925, or of any proceedings thereon is readily traceable at this distance of time, but the Honourable Member's attention is invited to the reply given to Mr. M. Anwar-ul-Azim's starred question No. 320 in this House on the 17th February, 1930, and to the demi-official letter No. 248-Est.-A.29, dated the 5th May, 1930, from the Director-General of Posts and Telegraphs to Khan Bahadur Sarfaraz Hussain Khan with reference to the latter Member's unstarred question No. 119 on the 2nd September, 1929. A copy of that letter is in the Library of the House.

PROVISION OF QUARTERS FOR EMPLOYEES OF RURAL POST OFFICES.

1005. ***Mr. Goswami M. R. Puri** (on behalf of Mr. D. K. Lahiri Chaudhury): (a) Will Government be pleased to lay on the table a statement showing:

(i) the number of rural sub-post offices, and

(ii) the names of places where clerks' quarters are provided in the Mymensingh District?

(b) Are Government aware that no house is available even on rent at other places, in the interior of the districts where no quarters are provided?

(c) Is it a fact that the postal employees, other than those employed as night-guards, are not allowed to sleep at night in the post office buildings in the Eastern Bengal Districts?

(d) Has the attention of Government been drawn to Resolution No. 65 passed at the Ninth Session of the Annual Conference of the All-India (including Burma) Postal and Railway Mail Service Union held at Peshawar on the 10th November, 1929, praying for house accommodation at mufussil stations?

(e) Will Government be pleased to state the action taken on the subject?

Mr. J. A. Shillidy: (a), (b) and (c). Information is being collected and will be furnished to the Honourable Member.

(d) and (e). I am unable to make any reply as the resolution cannot be traced.

DISBURSING OF INCREMENTS OF PAY OF POSTAL RUNNERS.

1006. ***Mr. Goswami M. R. Puri** (on behalf of Mr. D. K. Lahiri Chaudhury): (a) Has the attention of Government been drawn to the editorial note under the heading "Increase of pay to Runners" appearing at page 126 of the November, 1930, issue of the *Prachar*, the registered monthly magazine of the Mymensingh Postal and Railway Mail Service Union?

(b) Will Government be pleased to state the action taken to disburse the increment already due to the runners of Mymensingh District?

(c) Do Government contemplate issuing a general order for disbursing the increment in future to the runners as soon as it is due to them?

Mr. H. A. Sams: (a) No.

(b) and (c). Government have no information, nor do they propose to call for a report. A copy however of the question and of my reply is being sent to the Postmaster General, Bengal and Assam.

PROMOTION OF POSTAL OFFICIALS IN THE DACCA RANGE POSTAL DIVISION.

1007. ***Mr. Goswami M. R. Puri** (on behalf of Mr. D. K. Lahiri Chaudhury): (a) Will Government be pleased to lay on the table a statement showing:

(i) the number of telegraph-knowing postal officials in the Dacca Range who have passed the lowest selection-grade examination held in December, 1929;

(ii) the number from amongst such telegraph-knowing selection-grade passed officials who are not provided for in selection-grade appointments, either in permanent or temporary vacancies; and

(iii) the number of vacancies, permanent and temporary, in the selection-grade under the Dacca Range?

(l) Is it a fact that in many cases, those who were acting in selection-grade appointments, but could not pass the examination held in December, 1929, were replaced by officials who passed the selection-grade examination immediately after the result of the examination was out?

Mr. H. A. Sams: (a) and (b). The information wanted by the Honourable Member has been called for and will be supplied to him when received.

AN OVERWORKED POSTAL SUB-RECORD CLERK IN MYMENSINGH.

1008. ***Mr. Goswami M. R. Puri** (on behalf of Mr. D. K. Lahiri Chaudhury): (a) Has the attention of Government been drawn to the article under heading "Mymensingh Sub-Record-Office", appearing at page 102 of the September, 1930, issue of the *Prachar*, a registered monthly magazine of the Mymensingh Postal and Railway Mail Service Union?

(b) Are Government aware that the work of the Sub-Record clerk, Mymensingh, has been admitted by the supervising officer to be too heavy to be managed by one man?

(c) Do Government contemplate giving the Sub-Record clerk any assistance in the near future?

Mr. H. A. Sams: (a) No.

(b) and (c). Government have no information. The question relates to a detail of administration within the competence of the Postmaster-General, Bengal and Assam Circle.

STRENGTH OF RAILWAY MAIL SERVICE SECTIONS.

1009. ***Mr. Goswami M. R. Puri** (on behalf of Mr. D. K. Lahiri Chaudhury): (a) Will Government be pleased to state the data, if any, for determining the strength of the staff of a section in the R. M. S.?

(b) Will Government be pleased to state if the time spent on work by a sorter before the train actually leaves the railway station is taken into consideration in determining the strength?

(c) If the answer to part (b) above be in the affirmative, was such time taken into calculation in determining the question of the abolition of the third set in S-3 Section?

Mr. H. A. Sams: (a) The strength of the staff in Railway Mail Service sections is determined by the duration of the run and the amount of sorting work to be done in the time available.

(b) Yes, subject to certain restrictions.

(c) No, the third set was abolished, because the total weekly working hours of each set was only 24 hours 13 minutes 40 seconds per set against 30 hours, which is the prescribed minimum for a day-working section. Even if platform attendance had been taken into account, a third set would not have been justified.

DISTRESS OF EXTRA-DEPARTMENTAL POSTAL AGENTS.

1010. ***Mr. Goswami M. R. Puri** (on behalf of Mr. D. K. Lahiri Chaudhury): (a) Has the attention of Government been drawn to the editorial notes under heading "Extra-Departmental Agents" appearing at page 490 of the December, 1930, issue of the *Labour*?

(b) Do Government contemplate taking action to remove the distress of the extra-departmental agents by increasing their pay?

Mr. H. A. Sams: (a) Yes.

(b) The Honourable Member's attention is invited to part (j) of the reply given in this House to Mr. S. C. Mitra's starred question No. 162 on the 29th January, 1931.

DISTRESS CAUSED TO POSTAL OFFICIALS BY COMMUNAL RIOTS IN THE KISHORGUNJ SUB-DIVISION.

1011. **Mr. Goswami M. R. Puri** (on behalf of Mr. D. K. Lahiri Chaudhury): (a) Will Government be pleased to state the number of postal officials distressed by the last communal riots in the Kishorganj Sub-Division?

(b) Has the attention of Government been drawn to the correspondence published under the heading "Extra-Departmental Agents looted" appearing at pages 275—277 of July, 1930, issue of the *Labour*?

(c) Will Government be pleased to state the nature of help extended to them to avert starvation in their families?

Mr. H. A. Sams: (a) Six extra-Departmental agents.

(b) The Honourable Member presumably refers to the correspondence published on pages 276—278 of the August, 1930, issue of the *Labour* which Government have seen.

(c) No Departmental relief was given for the reasons indicated in the communications from the Postmaster-General, Bengal and Assam, included in the correspondence referred to in (b) above. The District Magistrate granted Rs. 15 and Rs. 30, respectively, to two of the extra-Departmental agents out of a relief fund raised by him.

BAGGAGE COOLIES AT STATIONS ON THE EAST INDIAN RAILWAY.

1012. ***Mr. Badri Lal Rastogi:** (a) Will Government please state whether the porters or coolies who attend trains for carrying passengers' luggage at the stations on the East Indian Railway are the employees of the Railway or are licensed by the Railway?

(b) Are Government aware that they do not wear their respective badges for identification? If so, why?

Mr. A. A. L. Parsons: The information asked for by the Honourable Member may be found on page 199 of the East Indian Railway Time Table dated March, 1931.

At principal stations porters for carrying passengers' luggage are licensed by the Railway and are not railway employees. If the Honourable Member is aware of specific instances where porters do not comply with the regulation as to the wearing of numbered badges it is suggested that the matter might be brought to the notice of the Administration through one of the members of the Local Railway Advisory Committee.

FEES DEMANDED BY LUGGAGE COOLIES AT EAST INDIAN RAILWAY STATIONS.

1013. ***Mr. Badri Lal Rastogi:** (a) Are portage rates for carrying luggage fixed at each and every station on the East Indian Railway?

(b) If the answer is in the affirmative, why do porters demand exorbitant rates from the passengers instead of the usual rates prescribed by the Railway?

(c) Do Government propose to issue instructions to all the Station Masters to look into this for the convenience of the illiterate passengers?

Mr. A. A. L. Parsons: (a) All Railway Administrations were asked in 1929 to arrange, if this had not already been done, for vernacular notices being posted at all stations showing the charges which licensed coolies are entitled to make.

(b) and (c). Government are not aware that exorbitant demands are made by porters, and do not consider that action on their part is called for.

EATABLES SOLD TO PASSENGERS AT RAILWAY STATIONS.

1014. ***Mr. Badri Lal Rastogi:** (a) Will Government please state whether the eatables which are sold to the passengers at railway stations are examined by the Station Masters or otherwise before being exposed for sale?

(b) If the answer to part (a) be in the negative, do Government propose to issue instructions to all Station Masters to see if the eatables are good and proper and fit to be sold?

Mr. A. A. L. Parsons: (a) Station Masters and supervising officials have instructions to see that eatables sold at railway stations are of good quality. Special catering inspectors are also provided for this purpose on some railways.

(b) Does not arise.

RESERVATION OF RAILWAY BERTHS AT INTERMEDIATE STATIONS.

1015. ***Mr. Badri Lal Rastogi:** (a) Are Government aware of the fact that the berths for 1st and 2nd class passengers are not reserved at all at any intermediate station and this puts passengers to considerable inconvenience in case they have to perform a long journey?

(b) Are Government aware of the fact that the Station Masters flatly refuse to get the berths reserved at intermediate stations even when room is available and this causes a good deal of inconvenience to the passengers and a great loss to the railway itself?

(c) Do Government propose to ask the railway authorities to reserve the berths for 1st and 2nd class passengers at intermediate stations if accommodation is available?

Mr. A. A. L. Parsons: (a) and (b). The practice generally on railways is to reserve berths when possible for upper class passengers entraining at intermediate stations on sufficient notice being given, but reserved accommodation at intermediate stations is not guaranteed.

(c) Government do not propose to ask railway authorities to make any change in the present arrangements.

CONSTRUCTION OF A RAILWAY FROM NAWADAH TO BAKHTIARPORE.

1016. ***Mr. Badri Lal Rastogi:** (a) Was there any proposal of the East Indian Railway to open a new railway line from Nawadah to Bakhtiarpoore via Rajgriha, Nalanda and Bihar?

(b) If the answer to part (a) is in the negative, do Government propose to construct a new railway line from Nawadah to Bakhtiarpoore via Rajgriha and Bihar for the convenience of the pedestrians?

Mr. A. A. L. Parsons: (a) No.

(b) A line of railway (the Bakhtiarpoore-Bihar Light Railway) already exists between Bakhtiarpoore and Rajgir Kund through Bihar. No proposal has been made by the Local Government for the extension of this line from Rajgir Kund to Nawadah, a distance of about 15 miles. Such an extension is not likely to be remunerative in view of the fact that a main metalled road exists between Bihar and Nawadah.

CUSTOMS DUTIES.

1017. ***Mr. Badri Lal Rastogi:** Will Government please lay on the table a statement showing how much duty has been imposed under the head Customs on each and every commodity of import and export?

The Honourable Sir George Rainy: The Honourable Member is referred to:

- (1) The publication issued by the Director General of Commercial Intelligence and Statistics entitled "Indian Customs Tariff" copies of the latest issue of which have been placed in the Library;
- (2) The Gold Thread Industry (Protection) Act, 1931, and the Steel Industry (Protection) Act, 1931.
- (3) Notification No. 260-T. (127), dated the 30th December, 1930, increasing the duty on imported galvanized sheet.

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LEGISLATIVE ASSEMBLY.

[18TH MAR. 1931.]

Diwan Bahadur T. Rangachariar: May I ask the Honourable Member to issue instructions to the Director General of Commercial Intelligence to send all such publications to the Members of the Central Legislature?

The Honourable Sir George Rainy: I am afraid I cannot agree to anything so vaguely phrased as "all such publications". But if it is the particular publication referred to in my answer, I do not at present see any particular objection to that.

Diwan Bahadur T. Rangachariar: I was referring to all publications containing statistical information on all subjects affecting the Government of India.

The Honourable Sir George Rainy: I must have notice of that.

AVERAGE INCOME AND INCOME-TAX IN INDIA AND ENGLAND.

1018. ***Mr. Badri Lal Rastogi:** (a) Will Government please state what is the average annual income and expenditure in India and England per head of the population?

(b) What is the total amount of tax which a man pays in India and England?

The Honourable Sir George Schuster: With reference to part (a) of the question it is not clear whether the Honourable Member requires to know what is the average national income and expenditure in the sense of the aggregate of private incomes and private expenditure, or whether he refers to the narrower sense of public revenue and public expenditure. Part (b) of the question is equally obscure. I assume however that the Honourable Member is anxious to get figures illustrating the burden of public expenditure and taxation as compared with the national income in the wider sense.

No country possesses accurate statistics of national income in this wider sense, but economists and statisticians often make estimates. Some interesting figures on this point are given in paragraph 238, Volume II, of the Indian Statutory Commission's Report. In that paragraph Sir Walter Layton estimates the national income in India at an average of 107 rupees per head, as compared with an average of £100 per head in England. He also points out that purposes of military and naval defence take about £2-10-0 per head in England compared with about 2s. 7d. per head in India and that the percentage of the national income taken for this purpose is 2½ per cent. in England against about 2 per cent. in India. In a recent article in the *Times of India* Mr. Findlay Shirras stated that the burden of taxation in India for 1929-30 represents 6 per cent. of the national income of which 2·8 per cent. was Central, 2·6 per cent. provincial and ·6 per cent. local. He compared this total of 6 per cent. for India with:

12·8 per cent. for Japan

13·3 per cent. for Australia

10·7 per cent. for the United States of America

19·2 per cent. for the United Kingdom

20·1 per cent. for Germany

20·9 per cent. for France

22·3 per cent. for Italy.

I must emphasise however that estimates of national income for a country like India must be regarded as difficult to verify with great exactness.

Diwan Bahadur T. Rangachariar: Are the difficulties such that the Government can surmount them or they cannot?

The Honourable Sir George Schuster: I am afraid that the difficulty of providing a really accurate statement of the national income in India is a difficulty which the Government cannot surmount. It must be obvious to my Honourable friend that to estimate the total national income that would be an aggregate of all private incomes of the people in a country like India must be very difficult.

Diwan Bahadur T. Rangachariar: May I ask what is the peculiarity about India?

The Honourable Sir George Schuster: India is a very large country and it is not supplied with a machinery of Government in every part of the country watching every branch of economic life and trade with the same elaboration that countries like England possess.

Diwan Bahadur T. Rangachariar: Do not Government consider that they should know the bearing capacity of the people before they can impose taxation?

The Honourable Sir George Schuster: I think it is very important and indeed essential that the Government should consider now the burden can be borne whenever they make proposals about taxation, and that is a point which Government always do consider.

Mr. B. Das: Did the Honourable Member invite the views of the different Chambers of Commerce as to how to take an economic survey about the income *per capita* in India?

The Honourable Sir George Schuster: I am afraid that the Chambers of Commerce will be unable to help very much in that respect. If my Honourable friend would take the trouble to look at Government publications in various countries on this subject, for example if he would examine what was involved in England when they attempted to take a census of production, I think he would realise how enormous the difficulties are in dealing with this particular question.

EXPENDITURE ON EDUCATION IN INDIA AND IN OTHER COUNTRIES.

1019. ***Mr. Badri Lal Rastogi:** Will Government please state how much is spent here in India and how much is spent in England, Germany, Canada, Australia, South Africa and New Zealand annually on education?

The Honourable Khan Bahadur Miran Sir Fazl-i-Husain: A statement giving the information asked for, so far as it is available, is laid on the table.

Statement.

Country.	Year.	Expenditure on Education.
1. British India	1929	Rs. 27,07,32,253
2. England and Wales	1928	£76,910,902 (a)
3. Germany—		
Wurttemberg	1929	Marks 54,943,989
Other States		No information.
4. Canada	1927	Dollars 128,890,836*
5. Australia—		
New South Wales	1928	£5,061,118†
Victoria	1927	£3,254,575
Queensland	1929	£1,784,359
South Australia		No information.
Western Australia	1929	£709,019
Tasmania	1927	£18,500‡
6. South Africa	1928	£7,570,490§
7. New Zealand	1929	£3,886,358

(a) Expenditure from public funds only.

* For State-controlled elementary and secondary schools, exclusive of technical schools in all provinces and including all primary schools in Quebec.

† Exclusive of technical education.

‡ Recurring expenditure on the University of Tasmania only. Figures for school education not available.

§ This figure excludes expenditure on higher education. The total value of the Bursaries held in 1928 at the Universities was £27,530.

N.B.—The information given in this statement is based on "Education in India in 1928-29", "Statistical Abstract for the United Kingdom" for the fifteen years 1913 and 1915 to 1928 (Cmd. 3465), and the "Statesman's Year-book" for 1930.

Separate figures for England alone are not readily available.

AVERAGE LENGTH OF LIFE AND DEATH RATE IN INDIA AND OTHER COUNTRIES.

1020. *Mr. Badri Lal Rastogi: Will Government please lay on the table, a statement showing the average life of men and infants and their death rate in India, England, America, Germany, Japan, Canada and Australia?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: I presume that the Honourable Member desires information regarding the expectation of life in India as compared with that in other countries. I would refer him to Volume I, paragraphs 231-240 of the Report of the Public Health Commissioner with the Government of India for 1927, a copy of which is available in the Library of the House.

HINDU TITLE HOLDERS IN THE BIHAR SUB-DIVISION.

1021. *Mr. Badri Lal Rastogi: Will Government please state if the statement laid on the table in reply to my unstarred question No. 170 answered on the 9th February regarding Hindu title-holders in the Bihar Sub-Division, is correct? Will Government kindly get the statement verified? Are Government aware that the statement of the Bihar Sub-Division seems to be the reverse of what is the fact?

Mr. J. G. Acheson: The statement previously supplied has been changed and found to be inaccurate in respect of two sub-divisions, though the total already given is correct. A revised statement is now laid on the table.

Statement showing the number of Hindu and Muhammadan title-holders in all the Sub-Divisions of the District of Patna in the Province of Bihar and Orissa asked for by Mr. Badri Lal Rastogi, vide Question No. 170.

Sub-Division.	Title-holders.	
	Hindus.	Muhammadans.
Sadr Sub-division	44	14
Patna City	5	4
Dinapur	5	4
Barh	4	5
Bihar	6	8
Total	64	35

N.B.—The figures in the statement include the Government officers holding titles and posted to a sub-division in the Patna District though they are not all residents of the district.

ASSAULT OF A RAILWAY MAIL SERVICE SORTER AT PATNA STATION.

1022. *Mr. S. C. Mitra: (a) Are Government aware that in May, 1930, the head sorter of Patna Railway Mail Service was assaulted by the Superintendent, Patna Railway Mail Service, on the platform of the Patna Railway Station?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to state what action they took in the matter?

Mr. H. A. Sams: (a) Yes.

(b) The Superintendent concerned was reduced both in pay and seniority and transferred out of the Circle.

RURAL UPLIFT WORK IN INDIA.

308. **Bhagat Chandi Mal Gola:** (a) Will Government kindly state if they have received any communication from the Rural Development Federation, Sita Ram Bazar, Delhi, regarding the real problem of rural uplift in India? If so, what reply has been given to them?

(b) Will Government please state what action is being taken by the Government of India with regard to their application to His Excellency the Viceroy and Governor General of India, dated the 25th February, 1931, to help them in the materialisation of their projected plan of action for doing the real rural uplift work in India?

(c) Will Government be pleased to place on the table their suggestions and the line of action which they propose to take for rural uplift work?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: Government have received a copy of the memorial addressed to His Excellency the Viceroy by the Rural Development Federation on the 25th February, 1931. It would obviously be premature to consider the question of according the Federation any recognition by Government until it has satisfied the Local Administration of its representative character, its status and its ability to carry out the ambitious programme outlined in its memorial.

The Honourable Member is no doubt aware that the promotion of rural uplift work is primarily the responsibility of Local Governments and Administrations. The action they have taken on the recommendations made by the Royal Commission on Agriculture on this subject has been stated in the Report on the progress made in giving effect to the Commission's recommendations generally, a copy of which is available in the Library of the House.

GRADUATED INCOME-TAX FOR FARMERS INSTEAD OF LAND REVENUE.

309. **Bhagat Chandi Mal Gola:** Will Government please state whether they have considered the establishment of a system of graduated income-tax for farmers instead of land revenue?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: No.

GOVERNMENT PURCHASES THROUGH THE RURAL DEVELOPMENT FEDERATION.

310. **Bhagat Chandi Mal Gola:** Will Government please state whether they have considered the question of making Government purchases as much as possible through the Rural Development Federation to assist the co-operative buying and selling of agricultural products and the turn-out of the cottage industries?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: The project for the establishment of the Rural Development Federation does not appear to have reached a stage at which it is possible for Government to consider the Honourable Member's suggestion.

(2208)

CHEAP AND EASY JUSTICE FOR AGRICULTURAL COMMUNITIES.

311. **Bhagat Chandi Mal Gola:** Have Government considered any proposals to establish cheap and easy justice for the agricultural communities in India? If so, what steps do they intend to take?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: I regret that I am unable to understand what it is the Honourable Member desires. If he will place before me any concrete suggestions, I shall be glad to consider them.

RURAL UPLIFT WORK IN INDIA.

312. **Bhagat Chandi Mal Gola:** Is it a fact that it has been admitted by the Royal Commission on Indian Agriculture that the responsibility for initiating the steps required to effect rural uplift work rests with Government? If so, will Government please state what action has been taken up to now by them for creating conditions favourable to improving village life in all directions?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: Yes. I would refer the Honourable Member to the reply I have given to his question No. 308.

MASS EDUCATION OF AGRICULTURISTS.

313. **Bhagat Chandi Mal Gola:** Have Government considered any proposals in regard to the mass education of our agriculturists? Are they aware that Mr. F. L. Brayne, M.C., I.C.S., of the Punjab Government, Lt.-Col. Janet Keir, Delhi Cantonment, Dr. Rabindra Nath Tagore of Bengal, the Servants of India Society and a few other philanthropic gentlemen, both European and Indian, have been trying to do all that they could in a primary stage? What monetary help can Government give to the Rural Development Federation in this direction?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: If the Honourable Member will refer to Chapter IV of the Interim Report of the Indian Statutory Commission and to Chapter VI of the Ninth Quinquennial Review on the Progress of Education in India, 1922—27 he will see that Local Governments and Administrations are doing their best to promote the expansion of education among the masses, including agriculturists and other rural people. Recently, in 1929, a Committee was appointed by the Government of India to investigate, *inter alia*, the problems of primary education in the areas of Delhi, Ajmer-Merwara and the North-West Frontier Province, and its Report containing recommendations on this as well as other points which were referred to it for consideration are now receiving the attention of Government.

As regards the grant by Government of monetary help to the Rural Development Federation, I would refer the Honourable Member to my reply to his question No. 308.

APPOINTMENT OF ACCOUNTANT IN THE GOVERNMENT OF INDIA PRESS, ALIGARH.

314. **Mr. S. C. Mitra:** (a) Will Government be pleased to state if it is a fact that in the Government of India Press, Aligarh, a junior clerk drawing Rs. 53 in the 50—3—80 grade with only a few years' service

has recently been appointed to officiate as accountant on Rs. 100 per mensem in the 100—5—140 grade in supersession of long service clerks drawing Rs. 100, Rs. 88, Rs. 84 and Rs. 75 per mensem in the 80—4—120, 80—4—100, 70—3—100 and 50—3—80 scales, respectively? If so, why were the claims of senior men ignored?

(b) Is it a fact that the said junior clerk has not even passed the Matriculation examination and does not possess any qualifications in accountancy, computing or cost accounting?

(c) Was the existence of senior clerks disclosed by the Manager in submitting proposals for filling the post of accountant?

(d) Is it a fact that the said junior clerk, in making the Manager to agree to his own appointment as accountant, excluded from the seniority list the names of the clerks at present working in the Forms Section? If so, why were not the senior men working in the Forms Section considered by the Manager?

(e) Is it a fact that the late accountant was made to retire? Was his record of service good and was he well spoken of by all the previous Managers?

(f) Is it a fact that the said junior clerk got his brother appointed as Foreman Printer in supersession of technical men?

(g) If any supersessions have taken place in the arrangements for the post of accountant in the Aligarh Press, do Government intend to issue instructions to the Controller of Printing and Stationery that the case of clerks seniormost in pay and service should be considered in the post of accountant in preference to the present junior clerk?

Mr. J. A. Shillidy: I propose to deal with question Nos. 314 and 316 together. The Controller of Printing and Stationery is responsible to Government generally for the efficient administration of the Government of India Presses and Government do not propose to call for information regarding these administrative details which are matters for his discretion.

DISPOSAL OF WASTE PAPER FROM THE GOVERNMENT OF INDIA PRESS, ALIGARH.

315. **Mr. S. C. Mitra:** (a) Is it a fact that the Manager, Aligarh Press, entered into a contract with a contractor for the disposal of all classes of waste paper for the year 1930-31?

(b) If so, is it a fact that the late accountant while officiating as Head Clerk in the month of November or December last, brought to the notice of the then Assistant Manager that the contractor was picking up the best broad big sheets of paper leaving aside the small shavings and other useless waste paper, whereas according to the terms of contract he should remove all sorts of papers including the worst, but the Assistant Manager on his own authority allowed the contractor to take away such as he liked?

(c) Is it also a fact that the said accountant in the interests of Government brought this matter to the notice of the then Manager in writing and also reported against the ill-treatment he was subjected to by the then Assistant Manager for reporting the matter to the Manager?

(d) Is it a fact that the then Manager took no action and left the matter to his successor, who recorded several statements from various people on the subject?

(c) Is it also a fact that the said contractor, after picking out the best quality of paper, refused to take the remaining waste paper as arranged by him with the Assistant Manager against the terms of contract? If so, what action did the Manager take against the Assistant Manager and the contractor and what was the loss entailed to Government by the transaction?

Mr. J. A. Shillidy: Enquiries are being made.

APPOINTMENT OF FOREMAN PRINTER IN THE GOVERNMENT OF INDIA PRESS, ALIGARH.

316. **Mr. S. C. Mitra:** (a) Will Government be pleased to state if it is a fact that a clerk having no technical qualifications has been appointed as a Foreman Printer in the Aligarh Press? If so, what qualifications does he possess as a printer?

(b) Is it a fact that the said Foreman Printer is the brother of the junior clerk recently appointed as officiating accountant? Is it a fact that several technical men and the Composing Room Foreman applied for the post of the Machine Room Foreman but their claims were ignored and a junior clerk appointed to the post?

(c) Are Government aware that there is a great discontent in the Press on this account amongst the industrial staff of the Press? If so, do Government propose to appoint a technical man as a Machine Foreman in the Aligarh Press?

APPOINTMENTS AND PROMOTIONS IN THE INDIAN RAILWAY ACCOUNTS SERVICE.

317. **Mr. S. C. Mitra:** (a) Will Government please state who is the authority who makes the appointments or promotions to the selection and administrative grades in the Indian Railway Accounts Service?

(b) Are these appointments or promotions approved by the Honourable Member for Finance or His Excellency the Viceroy, if necessary? If not, will Government please state whether similar appointments in the sister service, namely, the Indian Audit and Accounts Service, are made by the Honourable Member for Finance and, if necessary, by His Excellency the Viceroy? If so, why is this distinction made?

Mr. A. A. L. Parsons: (a) The Financial Commissioner of Railways, in accordance with the Resolution passed by the Legislative Assembly on the 15th September, 1925, which laid down that the accounting staff should be under his orders for the purpose of appointments, promotions, transfers, etc.

(b) The question whether promotions to certain selection posts in the Railway Accounts Service should, as in the case of other Railway Services, be referred to the Honourable the Railway Member is under consideration.

ADMINISTRATIVE APPOINTMENTS IN THE RAILWAY ACCOUNTS DEPARTMENT.

318. **Mr. S. C. Mitra:** (a) Are Government aware that in the Railway Accounts Department, as at present administered, an impression has been created in the minds of the officers of that Department that in the

†For answer to this question, see answer to question No. 314.

matter of selection to special or administrative posts preference is given to social and other qualifications regardless of merits, seniority, and experience?

(b) If so, will Government please state what steps they propose to take to remove any such impression?

Mr. A. A. L. Parsons: (a) No.

(b) Does not arise.

ACCOUNTANTS APPOINTED BY THE RAILWAY BOARD.

319. **Mr. S. C. Mitra:** (a) Is it not a fact that just after the separation of Railway Accounts from Audit a few accountants were recruited direct?

(b) If so, what is the number of such direct recruits, and what are their special qualifications which made the Railway Board take them direct?

(c) Is it not a fact that, according to the Code rulings, accountants are not recruited direct in the sister service, i.e., Audit Offices before passing the prescribed departmental examination?

(d) Is it not a fact that these direct recruits worked out the separation scheme successfully during the transitory period, when the then Accountant General for Railways could not spare his trained accountants?

(e) Is it not a fact that these new recruits had no substantive appointments elsewhere?

(f) Is it not a fact that, when these men were appointed, there was no condition whatsoever that they would be required to pass any examination for promotion to the officers' grade and that they were given assurances from time to time that they would be promoted whenever vacancies in the officers' grade would occur?

(g) Is it not a fact that a large number of men have now been brought in from the Audit side as well as from Company-managed railways and other departments to fill in the vacancies in the officer grade ignoring the claims of the direct recruits?

(h) Will Government please state whether they are prepared to promote these few remaining direct recruits, who had no idea that they would be asked to pass the Appendix D examination to the officers' grade without any further examination like Messrs. Cunningham, Deo Dutt, deVarine, etc.?

Mr. A. A. L. Parsons: (a) to (h). I am unable to understand several parts of the Honourable Member's question, but I assume from its general trend that his question relates to the period of the experimental separation of Accounts from Audit on the East Indian Railway. If so, I would observe that when it was decided experimentally to separate Audit from Accounts on that Railway, certain Accountants were recruited direct in connection with the experiment.

The number of such accountants was 25; and all of them were recruited either with reference to their general academic qualifications or with reference to their previous experience and suitability for the work. When the scheme of separation of Audit from Accounts was adopted finally in April, 1929, it was decided that, while those appointed in future would

have to pass a Departmental examination before being appointed accountants, the temporary accountants engaged during the experimental stage of the separation of Audit from Accounts should be eligible for permanent appointment in the actual grades in which they were working without having to pass any departmental examination, if their work was satisfactory. Most of these were young men; and there was no reason why they should be promoted to higher ranks without showing their worth by passing the necessary qualifying examination. The only exception made in this respect was in regard to the staff taken over from the old East Indian Railway Company, and even in their case only in regard to those who were 40 years of age on 1st April, 1929, and were thus too old to sit for a written examination. Government see no reason to reconsider the orders passed. No assurance was given to these temporary accountants, as the question assumes, that they would be promoted to Officer's grades without having to pass any Departmental Examination.

PROMOTION TO GRADE OF ASSISTANT ACCOUNTS OFFICER ON RAILWAYS.

320. **Mr. S. C. Mitra:** (a) Is it not a fact that, according to para. (3) (e) of Annexure D., page 89 of the Memorandum by the Financial Commissioner of Railways on the proposal to adopt as a permanent measure, the system of separation of Accounts from Audit on Indian railways,—promotion to the grade of Assistant Accounts Officers would be made by the Financial Commissioner of Railways by strict selection?

(b) Is it not a fact that, according to para. 9 of the Railway Board's Memorandum No. 5565-F. of the 31st July, 1929, such persons who were in service between certain dates would be eligible for confirmation in the actual rank or grade which they held on the 1st April, 1929, without passing any departmental examination, but that no such employee would be eligible for promotion to any higher grade or appointment until he had passed the examination prescribed for promotion to such rank or grade?

(c) Is it not a fact that these rules were made three or four years after these men were appointed?

(d) Is it a fact that, from such direct recruits, Messrs. Cunningham, Dev Dutt and deVarine have been promoted to the officer's grade just before the 1st April 1929? If so, why?

(e) Is it a fact that, according to the above Memorandum, Appendix D, an examination has been prescribed for clerks to pass, in order to qualify them for promotion to the rank of Accountant Grade II, Inspector of Station Accounts Grade II and Inspector of Stores Accounts Grade II?

(f) Is it a fact that those direct recruits have been informed after five or six years that they will not be promoted to the officers' grade or the accountant's Grade I, until they pass Appendix D examination which is purely meant for clerks for promotion to accountants' grade?

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

(d) Mr. Cunningham was selected to officiate as an Assistant Accounts Officer some time before 1st April, 1929. The selection was made with reference to his qualifications. Mr. deVarine was not promoted as an officer in the Accounts Department. Mr. Dev Dutta was appointed Cash and Pay Officer in the Railway Clearing Accounts Office on 1st April, 1929; a post which is really a subordinate post though given gazetted rank. He is not now in the Accounts Department.

(e) Yes.

(f) A warning was given in 1926 to all the staff concerned that they would have to pass the necessary departmental examinations.

ABSENCE OF STREET LIGHTS IN THE LOCALITY OF NEW QUARTERS AT
BARAKHAMBA ROAD.

321. Rao Bahadur M. C. Rajah: (a) Will Government please state whether it is a fact that:

- (i) some un-orthodox quarters of the "D" type were constructed by the Central Public Works Department at Barakhamba Road in 1930;
- (ii) these quarters have been occupied by Government servants since May 1930;
- (iii) no arrangements for road lighting has been made so far, even though the quarters began to be occupied about nine months ago;
- (iv) the residents of these quarters experience a lot of inconvenience in going out and coming back at night; and
- (v) in spite of a representation made by the residents to the authorities concerned, no action has been taken in the matter so far?

(b) If the answer to the above be in the affirmative, will Government please state whether they propose to provide street lights in this locality as early as possible? If so, when?

(c) Is it a fact that in all other localities in New Delhi arrangements for lighting are made simultaneously with the completion of residences?

(d) If so, why are these quarters given an exceptional treatment, and what is the explanation of the authorities concerned for this unusual delay in providing street lights there?

Mr. J. A. Shillidy: (a) (i), (ii) and (iii). The reply is in the affirmative.

(iv) This is quite possibly the case.

(v) No.

(b), (c) and (d). I am glad to be able to inform the Honourable Member that an estimate for providing road lighting in the area has been prepared and it is hoped to put the work in hand shortly.

SHORT NOTICE QUESTION AND ANSWER.

RELEASE OF POLITICAL PRISONERS.

Mr. C. S. Ranga Iyer: (a) Will Government be pleased to state whether any *satyagrahis* convicted under sections 147, 353 and 447 of the Indian Penal Code and 107 of the Criminal Procedure Code, involving technical violence, have not been released? If so, why?

(b) Will Government be pleased to state if it is also a fact that several persons undergoing trial on charge of sedition under section 124-A of the Indian Penal Code have not been released?

(c) Do Government propose to instruct the Provincial Governments to expedite the release of the said prisoners mentioned in (a) and (b)?

The Honourable Sir James Crerar: (a), (b) and (c). I have not as yet complete and definite figures showing, respectively, the number of persons who have been released and have not been released, but I am satisfied that Local Governments were taking, and are taking, prompt action. I wish, however, to take this opportunity of explaining that the question whether an offence involved violence other than technical violence, or incitement to violence other than technical violence is a question to be determined by the actual facts of each case and not with reference to the particular provisions of the law under which a person was convicted or is being tried. The object of including the word "technical" in the relevant provisions of the settlement was to give the benefit of the amnesty in cases where, although violence had been used or incitement to violence had been given, the violence was not of such a character as to preclude a view being taken favourable to the person convicted, or the under-trial prisoner. The Honourable Member will no doubt realise that it is not practicable to lay down a hard and fast rule and that discretion must be left to Local Governments, but I can assure him that Local Governments have applied and will apply these provisions in a liberal spirit.

Mr. Gaya Prasad Singh: Are Government aware that many Congress prisoners in the province of Bihar and Orissa have not yet been released and that this is causing a great deal of dissatisfaction in the public mind?

The Honourable Sir James Crerar: As I have explained I have not yet got detailed figures; but I will go into the matter when the figures come before me.

Mr. Amar Nath Dutt: Have not Government noticed the letter of the Congress Secretary who says that the detenus in Bengal have not been released and that the Bengal Government have not released as yet all those who were convicted and who can be released under the terms of the general amnesty?

The Honourable Sir James Crerar: I must refer the Honourable Member to the terms of the settlement which does not apply to detenus under the Bengal Criminal Law Amendment Act.

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

Mr. President: I have to inform the House that Dr. Ziauddin Ahmad and Raja Bahadur G. Krishnamachariar have been elected to sit on the Governing Body of the Indian Research Fund Association.

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

The Honourable Sir George Rainy (Member for Commerce and Railway): Sir, I move:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, three non-official Members to serve on the Standing Committee to advise on subjects in the Department of Commerce."

The motion was adopted.

Mr. President: I may inform Honourable Members that for the purpose of election of Members to the Standing Committee for the Department of Commerce, the Assembly office will be open to receive nominations up to 12 Noon on Thursday, the 19th March, while the election, if necessary, will take place in this Chamber on Saturday, the 21st March, if there is a meeting of the House on that day, otherwise on Monday, the 23rd March, 1931. The election will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

THE INDIAN FINANCE BILL—contd.

Sardar Sant Singh (West Punjab: Sikh): Sir, I was submitting before this House the case of Sardar Tota Singh of the North West Frontier Province, when the House adjourned yesterday. At the same time I was submitting the case of several persons who have not been released in accordance with the settlement arrived at between the Congress and Lord Irwin. Now, when I left this House and went home I received further reinforcement of my argument in the shape of a letter from Sialkot district, a district within my constituency, repeating the same complaint about the non-release of political prisoners. I would like to read a portion of the letter addressed to me. It reads:

"I will request you to put a short notice question in the Assembly so that the doings of the Punjab authorities may come to the notice of the Government. It has been learned that the local authorities are finding excuses to detain them in prison."

This is the expression used by a gentleman of position, an advocate of the Lahore High Court, practising in the Sialkot district. This case refers to a gentleman, Pandit Khazan Chand who was asked to furnish security under section 108 of the Criminal Procedure Code for presiding over a meeting where seditious speeches were delivered. There is no direct charge against him of delivering a speech, but for abetting the delivering of seditious speeches he was called upon to furnish security, and since 31st July, 1930, he has been suffering imprisonment. Sir, it is not only the private individuals alone who make such complaints in regard to this matter. This morning's paper has brought the news that a responsible body like the Bar Association of the Lahore High Court has passed the following Resolutions in respect of this matter. They read thus:

"That this meeting of the High Court Bar Association is of opinion that the Local Governments of the Punjab and Delhi are unnecessarily causing delay in releasing the prisoners whose convictions come within the provisions of the recent settlement announced by the Government of India."

That this House is further of opinion that the proposed examination into the judgments and records of the cases of such prisoners by the police and subordinate magistracy is wholly unnecessary and contrary to the letter and spirit of the agreement and is merely to delay the release of the prisoners.

That this House is also of the opinion that immediate release should be ordered of such Satyagrahi prisoners who have been convicted or are being tried under sections involving violence merely on the ground that their conduct amounted to technical violence or were apparently not of a political nature.

That the House is also of the opinion that the delay in releasing these prisoners is robbing the amnesty of its grace and it urges on His Excellency the Governor General to order the immediate release of all such prisoners."

Now, this is the state of affairs in the Punjab, and from the questions which were put this morning by one Honourable gentleman, it is clear that this complaint is not confined to Punjab alone but to other provinces as well. My submission is this. Here is a curious situation that has arisen in the country. The Government of the country no doubt claim, and probably justly claim, the credit for organising a system of administration which they hold is working properly and efficiently from Peshawar to Cape Comorin and they further claim that this system acts automatically when the Central Government asks the Provincial Governments to move in a matter. As against the Government organisation, there is also the Congress organisation which has been working in the country for the last many years. During the last ten years or so since the Rowlatt Act agitation began to hold the field in India, the charge brought against the political leaders of this country has been that they are rousing passions in the mob, which once roused they would never be able to suppress. This is indeed a great charge made against the political leaders of this country. In this connection I can cite my own experience of what happened a few years ago. When I was convening a public meeting to protest against the Rowlatt Act agitation in Lyallpur, the then Deputy Commissioner of the District, who is now His Excellency the Governor of the Punjab, sent for me and told me in so many words that I was rousing passions which I would never be able to control later on. This is the same charge which has ever been levelled against all Congress leaders of this country. But, Sir, what do we find? As everybody knows, the political leaders had roused public opinion against the present system of administration, and the feelings were roused to such great depths that a civil disobedience movement was put into operation, but the same Congress leaders—may it be said to their lasting credit, may it be said to the perpetual glory of Gandhiji—have gone and raised their voice under the direction of Mahatma Gandhi and told the people to stop the movement, with the result that we find very little trace of the civil disobedience movement left in the country. On one side there is an organised Government, a Government whose word should have been respected by the local authorities, but we find that its orders have been respected more in their breach. In comparison with this is the phenomenon of the hold which the leaders have acquired over the masses. The discipline is so great that, as soon as the order for stoppage of civil disobedience goes out, practically the whole movement stops in one minute. May I ask if the Government of India are being demoralised slowly and steadily, if they are willing to confess that their hold on the Provincial Governments has become so loose that they cannot control the provincial magnates in their policy? The Honourable the Home Member, in reply to the question put to him this morning, said that the Provincial Governments would consider the question of release in a liberal

[Sardar Sant Singh.]

spirit. I hope he will have the strength to write to the Local Governments asking them to obey the orders implicitly without delay.

Having said so much about the question of the release of prisoners, I now come to another point. There are several prisoners who are still rotting in jails and who have practically finished their term of imprisonment, and on one pretext or the other they are being detained. In this connection I would refer to the cases of certain conspiracy prisoners in the Punjab. I have again to make a complaint about the Punjab Government regarding the manner in which they are treating the political prisoners in that province. In 1914-15 when the war was on and the Defence of India Act was enacted, a certain tribunal was set up under that Act, and that tribunal tried several batches of prisoners. The first batch, which is known as the Lahore conspiracy case prisoners batch, was sentenced on the 13th September, 1915 and out of the 10 accused in that case—one of them is just sitting close to me, I mean Bhai Parmanand, who is a Member of this august Assembly—some were sentenced to death but their sentences were later on commuted to transportation for life. Some of them are still suffering imprisonment. The second batch was sentenced on the 31st March, 1916, in the second Lahore conspiracy case. There were six prisoners in that batch. Then there was a third Lahore conspiracy case in the same year, and two persons were sentenced. Then the fourth batch of this case was tried in Burma, and it was known as the Burma conspiracy case of 1915. Most of these prisoners are Sikhs, some of them are Hindus and one is a Muhammadan. Now, all these prisoners have been undergoing imprisonment since 1915. According to ordinary calculation, they have suffered imprisonment for 16 years, but if the exemptions granted to them by the Government in some cases by the order of the Government of India are taken into consideration, they have undergone more than 20 years imprisonment by this time. I have been unable to get at the records of the individual cases of these prisoners, with the exception of one Pandit Jagat Ram, and for the information of this House I will lay his case before the Honourable Members. Pandit Jagat Ram was convicted in the first Lahore conspiracy case. He was sentenced to death originally, but later on, His Excellency the Governor General in Council commuted his sentence to one of transportation for life. He was sent first to the penal settlement in the Andamans and was kept confined in the cellular jail at Port Blair from the 10th December 1915 to the 23rd August 1921, a period of five years eight months and thirteen days. He was granted two years and one month special remission under the sanction of the Government of India. Up to 13th January 1931, the prisoner has undergone nineteen years eight months and four days imprisonment, including the remissions earned in the jail as well as those granted by the Government of India. After the abolition of the penal settlement at the Andamans, most of the prisoners were repatriated, especially all those who were sentenced in the first Lahore conspiracy case. On his return, Pandit Jagat Ram was kept in different jails in the Madras Presidency and the Central Provinces. All the Provincial Governments adopted a definite attitude towards the Andaman returned prisoners. They adopted what is called the two-thirds system of remission, which means that two years of hard labour in the Indian jails is equal to three years in the Andaman's settlement. It is well known that a life prisoner has to pass fourteen years in the Indian jails and twenty years in the Andaman's settlement. Under no section of the Indian Penal Code can any accused be sentenced to a

period of rigorous imprisonment of over fourteen years. And a sentence of transportation does not mean rigorous imprisonment for twenty or twenty-five years. Its implication is that the prisoner shall be transported, unless he be physically unfit, to the penal settlement in the Andamans and live there in the settlement where he can breathe freely, move freely and associate freely in the various small convict colonies and can be a self-supporter earning his own living by any trade for which he may obtain a permit from the local authorities, and where he can live a family life and take part in celebrating many religious rites and festivals. Life thus being made easier in the settlement and not being very hard as in the Indian jails, it is laid down that a prisoner undergoing a life sentence in the penal settlement shall pass a period of twenty years, or in some cases of heinous crimes such as dacoity with murder, or burning the inmates of a house by setting fire to it, a period of twenty-five years. Pandit Jagat Ram underwent five years eight months and thirteen days rigorous imprisonment in the cellular jail at Port Blair, and not as a part of his sentence of transportation to the settlement which he was supposed to undergo. Therefore, for all practical purposes, it ought to have been taken as rigorous imprisonment and remission under the usual jail remission system should have been given to him. But it was not done.

In February, 1926, the case of Pandit Jagat Ram was submitted to the Punjab Government from the Jubbulpore Central Jail by Lieutenant Colonel F. A. Barker, M.A., M.D., I.M.S., then Inspector General of Prisons in the Central Provinces, with a special recommendation for his release. The Government in reply said that his case should be referred to Government after he completed fourteen years. In September of the same year he completed the prescribed period, and the case was duly submitted to the Punjab Government with the best remarks of the Jail Superintendent through the Central Provinces Government. The Punjab Government replied that under the two-third system laid down by Government one-third of the period passed by the prisoner in the cellular jail at Port Blair should be cut down for the purpose of counting his period of fourteen years, and that, therefore, the prisoner shall be eligible for release after he had done one year ten months and twenty-four days of hard labour in jail. Though such a consideration of the period of five years eight months and thirteen days which he passed in the cellular jail at Port Blair was uncalled for and illegal, for the prisoner was not allowed to go in the settlement, yet the Government persisted in this view. This period in the Andamans amounted to rigorous imprisonment in an Indian jail, less the privilege of quarterly interviews with the relatives and quarterly letters allowed to the worse criminal offenders in the Indian jails. But the prisoner in question silently bore it and let this further period of one year ten months and twenty-four days pass, till his case was resubmitted with the best recommendation for release by the Jail Superintendent at Jubbulpore. It was in January 1928. This time the Government ordered his transfer to the Punjab jails. He was brought to the District Jail, Ferozepore, in May, 1928, where he learnt that a letter was received by the Superintendent of the Jail from the Government to the effect that his case should be resubmitted for orders of the Government when he completed a further period of one year in the Punjab jails beginning from the day he arrived there. Even that year went by, and the case was resubmitted with the best remarks both by the Jail Superintendent and the Inspector General of Prisons who made an express recommendation for his release. But the Government was only pleased to reply

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that his case should be resubmitted after he completed twenty years imprisonment. Sir, the first condition of release was that he must complete fourteen years, then another year was added, when that too was over, again another year's condition was laid down. When all this period was over, the condition was still raised into completing twenty years imprisonment. Now, this gentleman has undergone imprisonment over the legal limit. May I ask why the same treatment is not meted out to these prisoners as is meted out to ordinary criminals? May I ask why this exceptional treatment, why this persecution, why this vindictiveness against these persons? They were convicted by a tribunal from whose orders there was no appeal and whose decisions were final. They do not claim any mercy; they only want their due. They have suffered for whatever they did; they have undergone punishment; and why should they not be released now? My submission is that somehow the administration is not fairly treating those prisoners who have had the misfortune of committing some offence, for which they have paid the penalty.

This brings me, Sir, to another subject relating to the civil disobedience movement, and that subject is particularly one in which my community is interested. I mean the happenings on the 6th May, 1930, in Delhi. On that day there were certain disturbances in the Delhi town, and in the course of those disturbances it is alleged that the police fired on the sacred shrine of Sri Guru Sis-Ganj Gurdwara, Chandni Chowk, Delhi. This Gurdwara is sacred to the memory of our Ninth Guru, Guru Tegh Bahadur. It is situated just close to the police station, Chandni Chowk, and it is alleged that on the 6th May, 1930, some brickbats were thrown from the Gurdwara and the police had to resort to firing on the Gurdwara. Now this allegation of the police has been questioned and a very modest request has been made to the Government that a non-official inquiry should be conducted and the allegations should be examined by an impartial tribunal. This too has been ignored. Though the Government have not considered the desirability of examining this question, yet several impartial bodies have examined the evidence and have come to some conclusions which I will crave the indulgence of the House to permit me to read. First of all I will refer to the communiqué issued by the Honourable the Chief Commissioner of Delhi regarding the firing at the Gurdwara. After giving the full history as to how the disturbance took place, the communiqué proceeds to state:

"Immediately after the rescue the Gurdwara was entered and searched by the Sikhs and the Hindu police in co-operation with the Gurdwara authorities. The Granth and the Gurm Granth Sahib were left completely undisturbed and inviolate. All the Sikhs found in the Gurdwara who pleaded innocence were given the benefit of the doubt and were released. Only Hindu suspects found therein were retained in custody. No firing whatsoever took place inside the Gurdwara at any time, nor was any shot fired in the direction of the Gurdwara building beyond what was necessary to check the storm of missiles."

This is the conclusion reached by the official version and Honourable Members will find that the language used in the communiqué is very interesting. It says:

"No firing whatsoever took place inside the Gurdwara at any time,"

To an ordinary reader it would appear that there was no firing at all. An attempt is made to conceal the firing in the next sentence which reads,

"Nor was any shot fired in the direction of the Gurdwara building beyond what was necessary to check the storm of missiles".

Now, I will later on show from the report of the non-official Committee which was appointed to make inquiries into this affair that this portion of the communiqué is absolutely wrong. First of all I will deal with the inquiry conducted by a committee which was known as the Sis-ganj Gurdwara Committee and which consisted of one Christian, one Muhammadan, one Hindu and two Sikhs. Their names are Mr. K. L. Rallia Ram, a Christian gentleman who was Chairman of the Committee, Sirdar Gulab Singh, who was a member of the Legislative Assembly, Lala Ruchi Ram Sahni and Sardar Buta Singh, B.A., LL.B., M.L.C. These gentlemen conducted an inquiry and they came to these conclusions. In their report in para. 10 they say:

"It has been very difficult for us to find out whether any brickbats came from the Gurdwara; and if they did come, in what quantity. We have had no evidence whatsoever supporting the view that brickbats were thrown from the Gurdwara, although each and every witness on the first two days was specifically asked about it by one of our members, Sardar Buta Singh, M.L.C. On the other hand in our interview at the Chief Commissioner's house, we came to know from the Senior Superintendent of Police that brickbats came from the Gurdwara side in 'tons and clouds'. The City Magistrate also seemed to corroborate so far as the factum of the brickbats coming from the Gurdwara side is concerned. It is difficult for us in the first place to disbelieve an officer of such a high standing and experience as the Senior Superintendent of Police; yet on the other hand, we cannot swallow the statement easily, particularly, as we did not notice a single leaf or flower or blade of grass to have been injured in the flower garden in front of the Kotwali where the policemen are said to have received the 'tons of brickbats'. Now, this place is just below the two roofs from which alone the brickbats could have come from the Gurdwara. Our own view is that either the brickbats came in such a large number from the fountain side that it was difficult for the police to know the direction. If they came in 'tons and clouds' then they must have darkened the atmosphere a little and made it difficult for them to judge rightly."

This is about the brickbat affair. Then about the firing they say:

"Before we take up the question of firing on its own merits we should like to give what we consider to be a more or less correct idea of the amount of firing and its duration. So far as our inquiries went, we were shown 686 marks of buckshots and bullets on the walls and columns and other places of the Gurdwara. Besides according to the evidence before us, 36 persons had received injuries in the Gurdwara. Some of the used up bullets and shots had been collected by the Police according to the evidence and some are still kept in the Gurdwara in a small bucket which too had been pierced by a bullet.

In our opinion, judging from the marks and the number of people firing, the least figure we can arrive at, is that somewhere between 125 and 150 shots were fired in the direction of the Gurdwara in addition to the bullets which came from two revolvers. In making this statement we must say that we have been anxious to take as safe and lenient a view of the matter as possible and to give every consideration to the parties concerned."

Then about the firing, the Committee say:

"Now, considering the duration, the number of marks on the walls and the way the police fired into the Gurdwara, we have no hesitation in saying that the firing was indiscriminate, vindictive and excessive."

This is the verdict of an impartial committee. Not only this, another inquiry was held by the Municipal Committee of Delhi which appointed a sub-committee to receive and consider all the available evidence regarding these allegations about the incidents that occurred on the 6th May 1930 and make its report within ten days. The gentlemen who formed the Committee were Khan Bahadur Abdul Rahman, Chairman, Lala Lachman Das, Lala Ram Pershad, Lala Shri Ram and Hafiz Abdul Aziz and Lala Harischunder. Now you will find that there was not a single

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12 NOON. Sikh in this committee. They were all either Muhammadans or Hindus. I am reading from only that portion of the report of their inquiry which bears on the Gurdwara. Now discussing the official report submitted by Magistrate who was appointed to carry on the investigation under section 176 of the Criminal Procedure Code, they say:

"Now that the Magistrate's findings are published, one cannot help remarking that, as anticipated, they are meant to whitewash the action of the police on a chapter of events which, to say the least, was extremely unfortunate."

About the Gurdwara they say:

"We note that it is alleged by the authorities that brickbats were thrown from the Gurdwara.

The evidence before us on this point is absolutely against it. But even if we take it for granted that there were some brickbats thrown from the Gurdwara side, we cannot find any justification for firing on the Gurdwara for about half an hour. Some of us have gone to the Gurdwara, where we have been shown the bullet and shot marks on the walls of the building and they amply corroborate the evidence produced before us. We cannot help finding that neither the firing on the crowd nor the firing at and inside the Gurdwara was in the least justifiable."

Now this is the finding of an independent Enquiry Committee on which not a single Sikh sat. There are also the findings of the Congress Committee, and the report of the Bar Association, Delhi. On this point, Sir, our grievance is—and Honourable Members will agree with me that this is a just grievance—that no attempt has been made to meet the very modest and very reasonable demand of the Sikhs that a non-official inquiry should be conducted into the affair of the firing, and if there was any fault of any police officer in respect of this firing, he should be brought to book. But, Sir, an absolutely deaf ear has been given to us in this matter, and this has aroused great resentment in my community. I hope that even now the Honourable Members on the Treasury Benches will concede this modest request of the Sikhs that an independent inquiry, though it is one year old, may even now be conducted into this question.

Last of all, Sir, I want to say a few words about the position of the Sikhs in the Punjab in the coming constitution of India. I crave the indulgence of this House in this matter because unfortunately during the debate on the Round Table Conference, though every interest had a spokesman who spoke, yet none of the Sikh Members of the Assembly was fortunate to catch the eye of the President on that occasion. So I have to place my case before you today, which is probably the last opportunity which I will get in this Session.

Mr. B. Das (Orissa Division: Non-Muhammadan): You will get many opportunities.

Sardar Sant Singh: Yes, after the Session. On this point, Sir, I want to explain the position of the Sikhs in the future constitution of India. The fact has been recognized in all responsible quarters that the rights of the minorities require to be safeguarded for some time. I know that communalism in any shape or form can never be consistent with the development of free institutions in a country; yet, till the time when goodwill and mutual trust take the place of distrust amongst the various communities of the country, it has been considered desirable that some safeguards should be devised for the protection of the rights of the minorities, and this is my excuse for saying something for the protection of the rights

of my community. In the Punjab, Sir, unlike any other part of India, the communal question has assumed a proportion which presents a problem by itself. In the Punjab there are three communities which occupy conspicuous importance. Unlike other parts of India, Muhammadans are in a majority, while the Hindus and Sikhs occupy a position of minority. The Muhammadans want protection as minority community in all other parts of India. Similarly the Sikhs claim the same protection in the Punjab on the same principle. But the Muhammadans are not only unwilling to extend the protection to the Sikhs as a minority community but as a matter of fact claim protection for themselves, though they are in a majority. This has complicated the situation in the Punjab. To the rest of India, the Punjab presents a problem by itself, and that is why the politicians of India, failing to appreciate the peculiar conditions of the Punjab, have called this province the Ulster of India. In order to clear our minds about this province, we are required to convince the public outside the Punjab that the Punjabis are not unreasonable, nor do they desire to place any obstacle in the way of the future progress of India. The position of the Sikhs particularly has been very clear. They do not want communalism in any shape or form in the future Legislature or in the services of the country. Though the Sikhs are the smallest community, yet they are prepared to stand on their own legs and enter into open competition on equal terms with all classes living in India. But in case communalism cannot be eliminated from the future constitution or from the services in India, the Sikhs claim that they should be accorded the same treatment as the Muhammadans and other minorities receive in other parts of India. Sir, I am sure that this is the most reasonable position and a logical one too to take up for any community. It is only to be regretted that communalism cannot be eliminated at present. Therefore, the principle of equal treatment to all communities is the next best thing that the constitution can provide. Some of the Honourable Members of this House are under the impression that the Sikhs are a part of the Hindu community and, as such, require to be classed with them and do not stand in need of any special recognition in the future constitution of India. Sir, I understand that this impression has been carried even in official quarters, who on account of political reasons are giving a favourable hearing to this plea. I take this opportunity, Sir, to try to remove any such impression. I need not, Sir, at the short time at my disposal enter into the history of the Sikhs: I will only content myself by saying that the logic of facts was too strong for the Government to deny this separate entity to the Sikhs in the last decade or two. Sir, at the time of the introduction of the Minto-Morley reforms, this fact was recognized but full recognition was extended to this only when the Montagu-Chelmsford reforms came into existence. In paragraph 282 of this Report the authors say:

"The Sikhs in the Punjab are a distinct and important community, they supply a gallant and valuable element in the Indian Army, but they are everywhere in a minority, and experience has shown that they go virtually unrepresented. We propose to extend to them the same protection as has already been adopted in the case of the Muhammadans."

When the All-Parties Conference met and drafted their Report commonly known as the Nehru Report, they too recognized this fact when they said:

"We recognize that the Sikhs are a distinct and important minority which cannot be ignored."

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In volume I of the Simon Commission's Report the Sikhs are described as nearer to Muhammadans than the Hindus:

"The religions of the Muhammadans and of the Sikhs, who go to form two-thirds of the population of the Punjab, do not recognize caste."

Similarly in the Census Report of 1921 it is said that "Sikhism was an attempt to reconcile Hindu beliefs with a purer creed which rejected polytheism or image worship and pilgrimages. It remained a pacific cult till the political tyranny of the Mussalmans and the social tyranny of the Hindus converted it into a military creed". These observations of the impartial observers made after due investigation should be sufficient to convince any fair minded gentleman that the Sikhs form a distinct community in the Punjab.

The Sikhs have a considerable stake in this province. Out of a total population of 20½ millions, 11½ millions are Muhammadans and 6½ millions are Hindus and 2½ millions are Sikhs. Besides this another million lives in the Indian States. The distribution of this population in the Punjab is also a factor to be taken into consideration, though in the Western districts, the Muhammadans are in a majority of about 80 to 90 per cent. The South Eastern area shows a Hindu majority of at least 60 per cent., while the central Punjab is mainly populated by the Sikhs. This was the centre of the Sikh power before the British occupation. Close to this population lie the important premier States of the Sikhs. They were the last rulers of this province. They form the most enterprising and progressive community, with considerable property. They are well advanced in education. They possess most of their religious temples and historic places in the Punjab and if one only knows the strong feeling the community has in respect of the places of its worship, one can judge the depth of devotion with which a Sikh views his province. The Sikhs contribute about 40 per cent. of the total revenues of the province, the Central Districts of the Punjab contribute 500 lakhs to the total revenues of the province, while the remaining 21 districts contribute only 515 lakhs. Though the Muhammadans are in a majority, yet their contribution to the revenues of the State is quite insignificant as compared to the contributions of the Sikhs. Their contribution to the Army for the defence of the country is still larger. The Punjab furnishes 54 per cent. to the armies of India; out of this, Sikhs supply 19 per cent. combatants. Thus though we form only one per cent. of the population of India and 11½ per cent. of the population of the Punjab, our contribution to the Indian Army is 19 times our percentage of population, while more than three times our percentage of population of the province. During the great War, the Sikhs supplied 89,000 combatants in addition to 30,000, who were already serving at the time of its outbreak. This will help us in recognising the importance of the Sikhs not only to the Punjab but to the whole of India.

The Government recognise the importance of the Sikhs, but they do not give adequate representation to the community in the Legislatures and services of India. The Sikhs were under the impression that they had served the Empire loyally. They fought the battles for the Empire in countries far away from India with distinguished gallantry. They have stood by the Government at times which were really hard for them, but

when the political power came to be distributed, they were simply ignored. This led to intense agitation amongst the Sikhs. During the last ten years, the Sikhs had to fight their political battle by joining their forces with those of other political workers. This set the officials thinking. They had to admit in their official despatches to the Secretary of State for India, that the change of attitude amongst the Sikhs was due to their having been ignored in the political advancement of India.

The Sikhs claim 30 per cent. representation in the Punjab. This claim seems to be unreasonable at first sight, but if the facts are studied, it will be clear that this claim is neither unreasonable nor illogical. Though the Sikhs form 11½ per cent. of the population, their voting strength in the Punjab is 24.1 per cent., while the same for Muhammadans is 43.7 per cent., so long as the property qualification remains to be the basis of franchise. How could the Sikhs be placed at a disadvantage? At present, though the voting strength of the Sikhs is 24.1 per cent., their representation is only 17 per cent. and a curious result follows: A Mussalman is returned by 9,500 votes, a non-Muslim is returned by 12,555 votes, whereas a Sikh is returned by 14,000 votes. Is this fair? Is it equitable? Is this the protection extended to minorities? The importance of Anglo-Indians, Europeans, Christians and Parsis is recognised only on the basis that they have got a stake in the country. Why should the same line of reasoning be not adopted in the case of the Sikhs. If the minorities are to be protected in the future constitution of India, then that protection should be effective. But the case of the Sikhs at present is that, instead of getting protection, they are being penalised and the protection is being extended to a majority community. If we were to fight our election in a joint electorate on proportionate single transferable vote, certainly our position would be far superior to the present one; even by the change of franchise we stand to gain rather than lose in our voting strength.

Apart from this, there is another aspect of the case which I will strongly urge my Honourable friends to consider. The Sikh community in the Punjab provides an element of strength, which it will be wise to consolidate rather than dissipate. Living in a province which is the gate-keeper of the whole of India, the Sikhs can keep a good balance between the rival contending forces. At the time of a future crisis, you may need forces that can only be supplied by the Sikhs alone.

In conclusion, Sir, I submit for the consideration of this House that the Sikhs have some interests in other parts of India as well as in foreign countries. We have no representation in any other province except in the Punjab. In times of ill-treatment of the Sikhs in foreign countries or even in India, they will have to look upon the Punjab Sikhs to protect them. If the Sikhs fail to have an effective voice in the Punjab proper, or in the Central Government, it will be impossible for us to look after our brothers. These are the considerations which weigh very strongly with us, and we expect that our case will be considered on equitable lines and we will be granted effective protection.

Mr. N. N. Anklesaria (Bombay Northern Division: Non-Muhammadan Rural): Sir, with the Finance Bill the Government come to this House and ask us to vote supplies. In the ordinary course of things, having passed the Budget, the other day, it would not be in accordance with the

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principle of consistency to oppose this Bill. However, there is another principle which I uphold whole-heartedly and with the fullest conviction and that principle is "Grievances before supplies". The grievances which the Honourable the Finance Member has been hearing of and will have to hear will be not one or two but legion. Some real, some partly real and partly imaginary, and I am afraid, very many, wholly imaginary. Indeed, Sir, if you read the speeches of Honourable Members in the debates on the Budget and the Finance Bill, you will be struck and struck very unpleasantly with the strange air of irresponsibility pervading them (Hear, hear). One may wade through page after page of the reports and may fail to come across a single helpful suggestion or a single constructive criticism. Sir, on previous occasions, more than one Honourable Member has admitted and admitted very definitely that it is not possible to effect any substantial retrenchment on the civil side of the Budget, except reducing a chaprasi here or a low paid clerk there. In spite of that admission, the Finance Member was persistently asked to search for directions in which the axe could be applied with some effect; and in response to the persistent demands of Honourable Members, the Finance Member in 1929, I think, appointed a special officer to explore avenues of retrenchment and report. When the announcement was made of the appointment of the special officer, Honourable Members got up and said that they did not want a special Retrenchment Officer. Why? Because the Retrenchment Officer appointed was an old man and a Civilian, and also because the Retrenchment Officer was not able to put his hands into the pockets of my Honourable friend Mr. Young. And the Honourable Members said that they did not want a Retrenchment Officer but wanted a retrenchment committee. Then in response to the persistent demands by Honourable Members for a retrenchment committee the Finance Member in his last Budget speech announced that if the House so desired he was willing to appoint a retrenchment committee with of course a non-official majority. Up gets an Honourable Member and says, "We do not want a retrenchment committee, we want retrenchment straightway".

(At this stage Mr. President vacated the Chair, which was taken by Mr. Deputy President.)

The very same Member in the course of his very same speech, though he had disapproved of a retrenchment committee, advocates in one and the same breath what he calls a committee to look into the Army expenditure.

Mr. B. Das: Will the Honourable Member kindly name the gentleman?

Mr. N. N. Anklesaria: That gentleman is Sir Cowasji Jehangir, the learned and gallant Knight from Bombay.

Then, Sir, it was suggested that the House should cut down the Military Budget. Some Honourable Member, however, realising that that was an impossibility under the present constitution, suggested that the Finance Member should make the Home Government contribute to our military expenditure. How that trick was to be done by the Finance Member the Honourable Member failed to suggest. Then, Sir, my Honourable

friend Sir Cowasji Jehangir in a very impassioned speech condemned all expenditure at the present time on the modernisation of the Army. Sir, I am not a military expert, but this much I venture to say, that if by ceasing to modernise we jeopardised the lives of some two hundred thousand of our soldiers, the flower of our manhood, we would be committing a sin of which the expiation would be very heavy. I need not labour the point, but I need only point out that when all civilised Governments are modernising their fighting organisations, to ask India to cease modernising and trust to the love and charity of her neighbours and potential enemies is very far from reason, and, I am afraid, very near prejudice. Then, Sir, a very learned Honourable Member yesterday got up and propounded theories of international trade, theories which would make one believe that Bastial and Bastable, Leroy Beaulieu and Alfred Marshall were mere legendary personalities, personalities who inhabited the realm of fiction only, or at least men who had laboured and taught in vain. The same very learned gentleman told the House in connection with the ratio question that on everything that we exported we lost 12½ per cent.; and after making that statement he cites the authority not of an economist but of a Bombay merchant who is far more interested in exports than in imports and who knows, I am quite sure, much less of economics than the learned and Honourable Member himself. He cites that Bombay merchant as an authority against the conclusions arrived at by the Hilton-Young Report.

Mr. B. Das: Which Honourable Member is this?

Mr. N. N. Anklesaria: I am referring to my Honourable friend Dr. Ziauddin Ahmad.

After this is it any wonder to find an Honourable Member who professed to talk "as a practical business man" seriously suggesting to the Finance Member that in order to save military expenditure, he should embody the picketers who have been picketing our foreign cloth and liquor shops into a fighting force on honorary terms? And he was also careful to add that this honorary military force should be also officered by the present leaders of the picketers, also of course serving in an honorary capacity. The same Honourable gentleman also speaking on the duty on silver said that that duty will press very hardly on the starving people, who presumably are likely to have no connection with silver at all. Then, Sir, look at the vast number of cuts the Honourable Members suggested and after being satisfied with speeches and with their success in getting the House to listen to them, quietly withdrew. To borrow an expression from my Honourable friend Maulvi Muhammad Yakub, this criticism of the Budget is a criticism pregnant with futility and not serious criticism at all. Sir, I do not claim to be a financial expert, but I have read and I have taught finance, and if I have done that to some little purpose, I have no hesitation in saying that the Budget which the Finance Member has put before the House, considering the conditions, economic, political and constitutional, now obtaining in India, is a Budget which shows that the Finance Member has made the very best of a very bad job. Five years ago even

Mr. B. Das: Nobody denies that he has tried to make the best of a bad job!

Mr. N. N. Anklesaria: I am very glad to hear that; and therefore I say we should extend to the Finance Member not only our sympathy in his difficult job but our complete support to his proposals. I say this subject to certain reasonable amendments (*Cries of "Oh!"*) which my Honourable friends may be moving later on. (*An Honourable Member: "What is reasonable?"*) I said reasonable amendments.

I will now take this occasion to speak on one, two or three topics, as time might permit, which have aroused keen feeling in the country, feeling which the Government must consider and cannot possibly ignore. We heard the day before yesterday speeches about the achievements of our Round Table Conference delegates in London. Today I want to put before the House other achievements of the Round Table Conference for their consideration. I think it was Abbé Sieyès of the French Revolution fame who is alleged to have boasted that he could make or construct a constitution within the space of one night. Our delegates to the Round Table Conference, very able and very learned men, and high-born ladies, by their united efforts, have been able to propose a constitution within the space of nine weeks. The want of consideration which our delegates ought to have been able to extend to their proposals is very patent from the very first resolution or I should say, decision, I do not know which it is, which they arrived at. I mean their resolution or decision on the question whether the future constitution of India was to be a federal or unitary constitution. On this issue the Round Table Conference sat for five long days; but if you peruse their debates, what do you find? You find the whole period of five days taken in complimenting one another and enunciating bare platitudes hardly having any connection with the specific issue before the Conference. There were several speakers at the Conference, but very few really spoke on the specific issue of federation or unitary state before the Conference, and it appeared from the discussions that everybody took it for granted that the future constitution of India was not to be a unitary state, but a federation. I do not know how that thing was taken for granted; but the debates clearly show that the matter was considered almost beyond discussion. You find some doubts expressed by my Honourable friend, Mr. Jayakar; you find some criticism by Sardar Ujjal Singh. You find positive misgivings expressed by the depressed classes representative, Dr. Ambedkar and you have a neat little speech by the gracious and gifted consort of my friend, Mian Muhammad Shah Nawaz, a speech clear, but equally unconvincing. (*Cries of "Very convincing"*.) Lastly you have got a written speech submitted by the representative of a Native State which, if you consider it in all its implications, speaks more in favour of a unitary state than of a federation. This is about all the serious and constructive thinking which the issue about the future constitution of India appears to have received at the Round Table Conference, and I agree with the opinion of my Honourable and esteemed friend, Raja Bahadur Krishnamachariar, that the case for the unitary idea has gone by default at the Round Table Conference. If you look to history, if you consult contemporary experience and if you follow the dictates of common sense, you cannot but come to one conclusion and one conclusion only that the only constitution suitable for India is not a federation but a unitary constitution. Talking of history, I take two instances—one from ancient history and one from modern history. As

regards ancient history,—I have not got much time to develop my ideas. (*Several Honourable Members: "Please go on; there is no time limit; go on."*) You will remember, Sir, that the only cause of the failure of the Greek city States was that they were unable to unite and form a strong unitary state. We had loose federations of Greek States; we had occasionally confederacies the Achaean League and the Aetolian Federation, but these Confederacies and Federations went down before the strong centralised unitary State which was founded by Phillip of Macedon. Now, Sir, turning to modern history, I ask what is the supreme achievement of Akbar? Akbar found India a congeries of warring States, Rajput, Afghan, etc., and he was able to unite them into one nation so far as Northern India was concerned, I mean above the Vindhya. I ask again, Sir, what is the supreme merit of the British work in India? I say when the British power was founded, they found India disunited and disintegrated into warring States,—Marathas, Rajputs, Sikhs, Mussalmans, and it is the supreme merit of the British that they united this congeries of warring States into one united India. (*Hear, hear.*) Sir, if you look to the history of Warren Hastings' administration, you will find that we had some semblance of a Federation in India then. We had got the three Presidencies, Bengal, Bombay and Madras, each administering and legislating its own laws. It was in 1773, Sir, that by Lord North's Regulating Act, Warren Hastings was made the Governor General of India and the Presidencies of Bombay and Madras were put under the Presidency of Bengal, but it was found that the three Presidencies were pulling in different ways. In fact, we know that while the Bombay Government declared war on the Marathas, the Bengal Government made peace with the Marathas, and so also the inconsistent doings of the Madras Government and the Bengal Government in their relations with Hyder Ali of Mysore. (*An Honourable Member: "That looks like a Federation."*) It was in 1833 that the centrifugal tendencies of Madras and Bengal Presidencies were sought to be checked by depriving them completely of their legislative powers. The same process, Sir, continued up to the time of Lord Curzon in whose time we find India emerging as a strong, centralised, unitary State which enables my friend the representative of the depressed classes, and my friend over there representing the highest caste of Brahmmins, my friend from Madras, and my friend from Bengal, all to sit together in this House today discoursing sweet reason,—nay, politics.

Mr. B. Das: We will do the same in the Federal Assembly.

Mr. N. N. Anklesaria: Sir, the Round Table Conference proposal by one stroke of the pen seeks to do away with the progress and development of 150 years and plunge India into disunion and disintegration from which the British redeemed it, and we are asked to glory in that dismal prospect!

Sir, there is one and one criterion to judge as to which form of constitution would be suitable for India, and that criterion is, which form of constitution will maintain and further national unity, which form of constitution will control and keep in check the several centrifugal forces which are operating on the Indian body politic? I say, Sir, the question

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could be answered in one and one way only. Federation is only a transitional stage as writers on politics will tell you, and that transitional stage we have passed long ago. When you speak, Sir, of a federation developing into a unitary state, I say you talk sense, but when you talk of a unitary state developing into a federation, I say you talk unadulterated nonsense. (Laughter.) Such a process has never taken place in the history of the world, and I would challenge the very able and learned delegates from the Round Table Conference to cite one single instance in which a unitary state has become a federation. (An Honourable Member: "Mr. Mudaliar will accept the challenge.")

Mr. T. N. Ramakrishna Reddi (Madras ceded districts and Chittoor: Non-Muhammadan Rural): All the modern federations have developed out of unitary states.

Mr. N. N. Anklesaria: I am coming to that presently. My friend, Sir, is talking of all modern states having developed out of unitary states, and the examples of Canada, the United States and Australia have been thrown at us. I say, I have not got time to enter into the details. (Several Honourable Members: "Please go on.") but I can do nothing better than read a few lines from the Honourable Mr. Brand's "Union of South Africa" as to what can be said about the federal system of constitution:

"In South Africa this fundamental principle of the supremacy of Parliament has in three colonies been greeted as the great achievement of the Act, and in the fourth has been condemned as a disastrous error. But, notwithstanding the hot opposition of critics in Natal, which the history and circumstances of that colony render natural, there is little doubt that opinion in South Africa is overwhelmingly in favour of the unitary as opposed to the federal principle. The panegyrics which American writers have been accustomed to lavish on the Constitution of the United States, and the imitation of that Constitution by Canada and Australia, probably explain the widespread opinion that federalism is a form of government to be sought as an end in itself, and not one which should be accepted only when nothing better can be obtained. But federalism is, after all, a *pis aller*, a concession to human weakness. Alexander Hamilton saw its dangers and only acquiesced because by no other means was union possible. In Canada Sir John Macdonald strongly favoured a legislative union, but was obliged to bow to the intense provincialism of Quebec. In Australia the narrow patriotism of the different states has imposed upon the Federal Government limitations which are generally admitted to be checking that country's advance. Federalism must be accepted where nothing better can be got, but its disadvantages are patent. It means division of power and consequent irritation and weakness in the organ of government, and it tends to stereotype and limit the development of a new country. It is remarkable that South Africans should have succeeded where almost all other unions have failed, in subordinating local to national feeling, and that the people of each colony should have been ready to merge the identity of their state, of whose history and traditions they are in every case intensely proud, in a wider national union, which is still but a name to them. The truth, as has already been stated, is that bitter experience has taught them the evils of disunion. The lesson is confirmed for them by the difficulties in which Australian federalism is foundering."

Only the other day we read in the papers that there is a talk of secession on the part of one of the States of the Australian Federation. (An Honourable Member: "New South Wales.")

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Not secession, but split.

Mr. N. N. Anklesaria: You call it split, I call it secession, and both mean the same thing.

Sir, I will put only one aspect of the picture which will be presented to you, if the able men, who were our delegates to the Round Table Conference, had succeeded in their designs. India is, as you know, a country in which there are Hindus and Muhammadans. There are Hindus who are in a majority in several provinces, and there are Muhammadans who are in a majority also in certain other provinces. This circumstance leads to the development of what John Stuart Mill calls permanent majorities. If you have got permanent majorities in a Government, what the position of the minorities will be you can very readily imagine. I can see a time when the Muhammadan majorities on the Western side of India will seek to unite the provinces in which the Muhammadan element is predominant. I can see a time also when the Hindu majorities will try to unite together and form a Hindu India on the other hand. (Mr. B. Das: "Don't be suspicious.") (An Honourable Member: "What about a Parsi India?") I say, Sir, the only system of Government which can hold in check the centrifugal forces operating on the body politic is a highly centralised unitary state and not a federation. Sir, some of my Honourable friends have been smiling at what I have been saying. (Laughter.) I do say that it must be striking them as very laboured at this idea, I a poor lawyer should get up in this House and talk against it. But I am not pitting my personality against the personalities of the able delegates of the Round Table Conference. I am pitting my arguments against their arguments, and I say let us examine the arguments which have led people to believe that a federation is more suitable than a unitary constitution for India.

Sir, it is said that the Montagu-Chelmsford Report favours federation. I have looked into that Report. There are two and only two paragraphs,—paragraphs 120 and 349,—of the Report which talk of something akin to federation, and not federation at all. In paragraph 120 the Report is very careful to point out that, in the process which India should follow in its further development, the federal principle does not and cannot enter—these are their very words—and they visualise in the very same paragraph a constitution which is not a federation, but they say a constitution which may have the *external semblance* of a federation. It says, "may have the external semblance" only. Then, it is asked, how can you have a unitary state when you consider the vast populations you have got in India? I say, when you talk of vast populations in this connection, you think of the facility of contact between the elector and his representatives. Today I say that there is more facility of contact between the elector in Madras and his representative sitting in this House than there was between a Scotch elector and his representative sitting in the British Parliament a hundred years ago. Then they say, look at the vast areas in which the constitution has to work. I say again, when you talk of vast areas in this connection, you think of the facilities of communication between the Central Government and the Provincial Governments. I say with our means of communications—wireless, the aeroplane and all that—there are more facilities of communication today between Madras and Delhi than there was between Edinburgh and London a hundred years ago. When I was discussing this topic with several of

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my friends, one of them asked me, "Don't you want provincial autonomy?" How are you going to get provincial autonomy in a unitary state? Now, Sir, provincial autonomy is a phrase which is liable to much abuse. It has got two meanings, and people often confuse those two meanings. Provincial autonomy in one sense means freedom of the Provincial Government from the interference of the Central Government. In the second sense provincial autonomy means government of the province responsible to the people of that province. In the second sense I do not think there can be any Honourable Member in this House who would think that we should not have provincial autonomy, provincial autonomy in the sense of responsibility to the elected representatives of the people in the provinces. There can be no question about that, but as regards the other class of provincial autonomy, a provincial autonomy which tends to keep a Madras, a Bengali, a Bengali and a Guzerati a Guzerati a provincial autonomy which accentuates and does not annihilate our parochial, racial and communal differences and divergencies—I say God save us from such a provincial autonomy. Then, Sir, it is asked, "How can you fit in these Indian States in your scheme of a unitary state?" I quite admit that. You cannot fit in autocracy in a democracy unless the democracy becomes autocracy or the autocracy becomes democracy. I quite admit that, but if the price, which the British Indians have to pay to include the Indian States in the proposed constitutions, is what it must be, I say that price will be too heavy and we can safely spare ourselves that. Sir, it would be far from me to say anything at the present juncture which would in any way embarrass the Political Department, which possibly may be conducting very delicate negotiations. I will therefore say nothing about the serious disadvantages and the very serious danger of including the Indian States in the proposed future constitution of India. Sir, it is possible that I have exaggerated the case of the unitary constitution, but if that exaggeration could include our delegates at the Round Table Conference to move for a reconsideration of the whole position on that issue, the time of this House will not have been wasted. I say, Sir, if you must have federation, that federation must be of the close type of South Africa and not the loose type of the Swiss confederation or Australia or Canada.

Sir, I now pass to another topic which has given rise to very strong feeling in the country. I come to the policy adopted by the Government as regards discriminating between communities. Today, Sir, nothing is acting as a greater or more potent cause of discontent among the non-Muslim communities than the policy of preference which rightly or wrongly the non-Muslim communities believe has been extended to the Muslim community. I do not know the conditions outside my Presidency, but in Bombay today a Brahmin's son, a bania's son or a Parsi's son is denied admission in the educational institutions of the country simply because he is born a Brahmin, a bania or a Parsi and that simply in order to enable the authorities to admit Muslim boys in preference to the non-Muslim boys. Sir, today in the Presidency of Bombay, a Brahmin, or a bania, or a Parsi has been denied posts in the Government service because Mussalman candidates have to be provided for. (An Honourable Member: "Shame.") It is nobody's fault. I am simply stating it as a fact which I must bring to the notice of Government because it has created an amount of discontent

which if the Government will only realise it will lead them to make some changes in their policy. I say also to my Muslim friends that with their energies dwarfed and their faculties atrophied by the continual spoon-feeding of favouritism, they themselves will be the greatest sufferers because, what answer will they make when the 7 crores of depressed classes ask to compete with them in their own game? It is for them to consider. What would be the fate of the Muslim community in the future constitution if it has got to rely not on efficiency, not on ability to hold its own against other communities but on Government preference and favouritism. It is for them to consider that. This is all I have to submit, Sir, on the present occasion; I shall of course have to say something later on the amendments to the Finance Bill.

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.

Rai Sahib Harbilas Sarda (Ajmer-Merwara: General): Sir, I wish to say just a word with regard to what has fallen from my Honourable friend Mr. Anklesaria with regard to the suitability or otherwise of a federal system of Government for this country.

An Honourable Member: He is not here at present. Perhaps he may come later on.

Rai Sahib Harbilas Sarda: So long as he gave expression to his own opinion as to whether a unitary system of government or a federal system of government would be suitable to India, he was on safe ground; but his inroad into ancient and modern history has landed him into difficulties, and the incursion was very unhappy. Any student of ancient history knows perfectly well that it was not because the Greek States had a federated constitution that the Persian Emperor won a victory over them. It was exactly the opposite. It was because the ancient Greeks could not federate, it was because they could not come into a federation that the Persian Emperor Xerxes was able to achieve victory over the Greeks, though those victories were almost pyrrhic in character and consequences. If the Greek States, Athens, Macedonia, Sparta, Thebes and others could have combined and formed a federation, if they had made the entire Greek population one nation under a federated constitution, then the Persian Emperor Xerxes would not have been able to win the victory that he did.

Students of Rajput history know very well, in fact, any student of Indian history knows very well, that if there had been a federation of the Rajput States, the Moghul Empire would not have come into existence. The war between Rana Sanga and Babar showed clearly that when even there was a federation on a small scale and only a temporary one, the cause of Babar became almost hopeless. If the States of Rajputana had a federal constitution and regarded Rajputana as one country with one constitution under

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a federal system, neither the Pathans nor the Moghuls would have found it possible to win their empire in India. It is exactly because there was no federated system, no federation in India and in Greece that the Persian Emperor and the Turks were able to found their Empires and win victories in those days.

Mr. N. N. Anklesaria: May I rise to a point of explanation? I said that federation was a transitional stage between a unitary state and a looser class of political entity.

Rai Sahib Harbilas Sarda: My Honourable friend stated plainly in his speech that it was because of federation that nations had lost their freedom or at any rate they were defeated, and he gave two examples from ancient and mediæval history. I have got up only to show that it was not because of federation, but it was because of absence of federation that people of ancient Greece and Indians fell a prey to the invaders.

Mr. N. N. Anklesaria: Looser class of union.

Rai Sahib Harbilas Sarda: Apart from this, students of contemporary history know that to have a federation or a unitary government is not a matter of one's choice. No country presents a problem to its people and gives them the choice between federation and unitary government. It is never like that. It is only where political conditions, and conflict between provincial and communal interests present very great difficulties which sometimes are insuperable, that the federal system of government is adopted, because that alone is capable of solving those problems which a unitary system is not capable of solving. The unitary system of Government is possible only where there is an absolute unity of economic, social and political interests. When these conditions do not exist, a unitary government is not possible and a federal system of government has to be adopted.

Apart from the fact that so far as India is concerned, it is the federal system alone that can win us responsibility in the Central Government, apart from the fact that in order to have a uniformity of conditions, economic and political, throughout British India, a federal system of government is necessary, apart from all these things, there is a very important matter that deserves consideration, and that is, that if we want to pull up the subjects of the Indian States of India to the political and social level of the residents of British India, a federal system of government is absolutely necessary. No other means can be found at the present moment by which we can establish the same economic and social and political conditions, giving the subjects of the Indian States the same political rights as are enjoyed by residents of British India, not at once of course, but which make the grant of these rights absolutely certain, except the federal system of Government. For that purpose alone, if for nothing else, it is very necessary that India should at the present moment, in the present condition of things, have a federal system of government. It is a matter of rejoicing and a matter of congratulation that Their Highnesses the Maharajas of Bikanir and other Princes who were present at the London Round Table Conference had the patriotism and the statesmanship to envisage the great future that is before India and accepted a federal system of government. They must have known, Rulers as they are of large territories, that it is not possible for them to keep up the present system of Government—or personal rule as I would prefer to call it—in the different States when a democratic form

of government is obtaining in the whole of British India. Knowing all that, they were still patriotic enough and had the foresight and statesmanship to accept a federal system of government because they had the interests of India as a whole at heart. It is to the credit also of all the British Indian delegates who went to the Round Table Conference that they accepted the federal system of government, for in the present circumstances, so far as we can think, a federal system of government is essential to win us our rights and our proper place in the British Empire.

Raja Sir Vasudeva Rajah (Madras: Landholders): I had no intention of taking part in today's general discussion, but after the speech that my Honourable friend Mr. Anklesaria made condemning the federation scheme evolved by the Round Table Conference and raising doubts as to the wisdom of taking in the Indian Princes into that federation, I feel, Sir, that I should say a few words to express what we, on this side, feel. I listened with real interest to the speech of the Honourable gentleman from Bombay who spoke, no doubt, as he himself claimed, from his own conviction, from his reading of the constitutional history, from his study of the growth of federation all the world over, and also from his understanding of Indian history, when he showed his preference to the unitary as opposed to the federal system. I, however, have read history differently and in this I happen to be in the distinguished company of the talented supporters of federation at the Round Table Conference. I am willing to concede that theorists and constitutionalists do hold different points of view in regard to the relative merits and superiority of the unitary and the federal systems. It however is now too late in the day to wander in regions of academical controversy, ignoring the growth of public opinion in the two parts of India, namely, British India and Indian India, and the unambiguous expression of that opinion by the representatives of the Princes and the people who showed a unanimous preference for federation. Even statesmen like the Right Honourable Srinivasa Sastri who hold contrary opinions have now become willing and enthusiastic converts to the creed of federalism. The Honourable Member from Bombay, Mr. Anklesaria, was, if I may say so, only flogging a dead horse. He was trying to belittle the achievements of the Round Table Conference. Speaking on behalf of the landholders in this Assembly and on my own behalf, I should like to express our sincere appreciation of the great work done by the members of the Round Table Conference, and the results so far achieved, especially the conception of a scheme of federal government which we whole-heartedly welcome. Although there may be differences as to details, yet I can confidently say that the resolutions of the Conference are fairly satisfactory and afford a good basis for further negotiations and supply adequate foundations for building the superstructure of the Indian constitution. Two features are specially noteworthy in this connection and are welcomed by the classes which I represent. The first is, thanks to the comparative unanimity achieved at the Conference and the unhesitating declaration made by the Princes and Ruling Chiefs that they would throw in their lot with other sections of the Indian population, the whole outlook in England towards the Indian problem has been profoundly modified. It is undeniable that British opinion is thoroughly reconciled to the vesting of responsibility for the government of India in practically all its departments in elected legislatures and responsible executives. This result would not have been possible if only a portion of India were sought to be dealt with and if Indian India were not also a part of the contemplated structure. The second feature to which I desire to advert

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is the securing of the stability of points of view and administration by uniting with the democratic elements those elements who have a vital interest and stake in the country. Here I must say that I entirely disagree with the views expressed by a few of my friends in this House about their apprehensions consequent on the entry of Indian Princes into the federal constitution. Their entry will be most valuable from every point of view, and especially in acting as a moderating influence in a system where popular gusts of passion are likely to take the country and the Legislature off their feet. The inclusion of the representatives of the Princes and of commercial and other interests in an effective manner in the constitution will prevent any such catastrophe. At the same time the impact of the democratic elements on the Indian States' representatives is bound in turn to produce a great effect upon the internal administration of the States, though not directly, and to level up those administrations more or less swiftly. Moreover, the possibility of transferring effective control over the defence forces in a manner consonant with the safety and well-being of the Empire is made very much easier by the participation of elements to whom military traditions and a military career are familiar matters. A definite scheme of the Indianisation of the Army and the gradual vesting in Indian hands of the responsibility as well as the glory of defence and the control over Army expenditure by Indians with a view to Indian interests are matters which have to be carefully considered in the further stages of the discussion. Moreover, there are many vitally important, though very difficult, questions connected with the finances of India which have to be elucidated. Without an adequate and real control over financial and fiscal policy, responsibility and self-government would be illusory, and if sufficient stability is secured to the constitution, there is no reason why the completest control of the finances of India should not be vested in Indians, subject of course to such ultimate safeguards as are essential to preserve the credit of India in the eyes of the world and to guard against a policy leading to bankruptcy. All these will be rendered feasible only if the responsible statesmen presiding over the destinies of the Indian States join hands with us in British India in making the administration of the United States of India the great success that the scheme of federation promises.

Mr. B. V. Jadhav: Sir, after full two days' debate on the work of the Round Table Conference, I was under the hope that that useless Conference and its work would be relegated to the region of forgetfulness at least by this House. But my friend the Member from Gujerat has brought forth this subject and has proved to the satisfaction of this House that the work done there was quite useless, that in accepting federation as the ultimate goal they have made an egregious mistake, and that the salvation of India and the whole world lies in returning to the unitary form of government. My friend Mr. Anklesaria has gone deep into history and has brought forth the experiences not only of Greece and of Rome but of ancient India and present-day India. His reading of history is no doubt very creditable and I make bold to say that he has mistaken his profession. He ought to have been appointed a Professor of History in some University. The failure of the work of the Round Table Conference ought, I think, to be laid at the doors of His Excellency the Viceroy and the Ministry in England because they did not recognise the merits of Mr. Anklesaria and failed to include him on it. Perhaps this mistake might be excused as Mr. Anklesaria had contrived to conceal his light under a bushel up to

this time. That light has now shone forth and I am perfectly confident that His Excellency the Viceroy will pick him up and take the earliest opportunity of nominating him to the Round Table Conference. If necessary, I shall be very willing to make room for him. Sir, the statesmen that sat at the Round Table, including His Lordship the Marquis of Reading and the Prime Minister, and the Indian statesmen like the Maharajas of Bikaner and Baroda and Sir Tej Bahadur Sapru down to your humble servant representing the non-Muhammadan constituency of the Central Division of Bombay, committed a number of grave errors no doubt. They ought to have strongly gone in for the unitary form of government according to Mr. Anklesaria. But I may point out to this House that the trend of the whole politics of the British Empire is from a unitary form of government to a federal form of government. (Mr. N. N. Anklesaria: "Question!") The different Dominions that have been formed have adopted a federal form of government and in that respect the whole administration is going from the unitary form of government to the federal form of government. Not only that, but since the time England admitted the Dominions as equal partners in the British Commonwealth of Nations, they have been telling the world that it is a federation and not a unitary form of government. The British Empire is developing on the federal idea and ultimately it is expected to be a strong federation of equal partners in the Empire. England began with a unitary form of government. The King of England was the King and even now he is the King of all the Dominions. But the form of government that has been developing gradually, and many a time imperceptibly, is leading the British Empire into a big federation, and this idea was present to the minds of the politicians who took part in the Round Table Conference, and they chose the federal form of government as the most suitable form for British India, a form which will lead them to complete Swaraj. I may point out Mr. Anklesaria that when the Government of Bombay considered the Report of the Royal Commission, they ultimately came to the conclusion that the federal form of government was the only form which could bring within its fold the Indian States, and thus far I may point out to him that the subject of federation was not a complete surprise.

I need not take up further time on this subject, but I have to say something on the other point which he brought forward; viz., the educational policy of the Government of Bombay, in so far, as he stated in this House, that the children of the Brahmins, the Banias and the Parsis have been denied admission into the high schools and colleges and the vacancies are reserved for Muhammadans and other backward communities. I do not think any elaborate defence of the policy of the Bombay Government is necessary in this House. That question has been debated more than once in the Council of that province and the policy has been sufficiently vindicated. Accommodation in the Government high schools and colleges is not indefinite. You cannot expand the accommodation according to the number of students seeking admission. There is a limit to that number, and as long as the Mussalmans and other backward communities were apathetic towards education and did not seek admission into the high schools and colleges, Government had no reason to make any rules as to a particular percentage of admission from particular communities. But when there was an awakening among the Muslims and others and when it was found that it was difficult for them to get admission because the number of students that sought admission was a very large one, then in fairness

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it was found necessary to give preference to the boys of the Muslim and other backward communities. All the subjects in British India and in the Bombay Presidency pay taxes and thus provide for the expenditure that is incurred on education by that Government. All the subjects have got equal rights for taking advantage of educational institutions. But if owing to apathy or some other cause, the backward communities did not take advantage of the educational institutions in former days, there is no reason why in future also they should be precluded from taking advantage of them. They had at least an equal right to claim admission into the high schools and colleges in proportion to their numbers in the population; and as long as that proportion was not admitted into the educational institutions it was the duty of the Government to see that some provision was made for them to enjoy that right of admission, and for that purpose a rule was made that in future fifty per cent. of the vacancies among students in high schools should be reserved for these backward communities, while the other fifty per cent. was left open to all the communities alike. So, I do not think there was any partiality or favouritism done by the Government of Bombay. All that they did was to give justice on a very moderate scale to the backward communities. This, a reply to Mr. Anklesaria.

I would like to touch upon one other point which Mr. Sant Singh has placed before this House. Sardar Sant Singh claimed that there has been some considerable import of wheat into India and that that wheat competed with the indigenous wheat of the Punjab and other places and therefore in order to help the agriculturists in those parts he proposed that an import duty should be placed upon wheat so that foreign wheat should not come into this country and the price of wheat in India should rise. I on my part cannot subscribe to this point of view. I am strongly of opinion that the food of the people should not be taxed and its price should not be artificially increased in the country. If Mr. Sant Singh wanted to favour the wheat growers, then there is no reason why we should not favour the cultivators who grow cotton and other crops—linseed and other agricultural produce. To select wheat only for special treatment is rather invidious, and it will not only fail to lead to the desired effect, but I think it will turn out to be very injurious to the interests of India as a whole. Wheat is a world commodity and its price is regulated by the state of the world's market and its consumption and supply. The price of wheat outside will not be affected by any import duty that may be levied in India. But the price of wheat in India may, on account of the import duty, be raised and to that extent the food of the people will rise in cost. The price of other food grains, such as jowari, bajri and rice is dependent upon the price of wheat. When the price is equal to or higher than that of wheat, people do consume more wheat and do not look to the coarser grains such as jowari or bajri. So if the price of wheat rises on account of the imposition of an import duty, the price of bajri and jowari also will rise in sympathy with the rise of price of wheat and in this way the food of the whole people will become more costly, and this is not at all desirable. There is a school of thought which thinks that all the wrongs and ills of India can be remedied by this one method of raising the tariff. They think that the industries of India can be encouraged to any extent if only the expediency of raising a high tariff wall is taken advantage of.

But every remedy has got a reaction and therefore whenever it is necessary to raise the tariff or levy higher import duties, it ought to be done after very careful enquiry into the pros and cons, the advantages and disadvantages and other things. I would ask Government not to take any hasty action on the strength of speeches made in this House. But if they

think that the question of a tariff on wheat should be taken up 3 P. M. by Government, the best thing for them to do would be to refer the question to the Tariff Board. I do not think we on this side are great experts able to advise the Government on this point. We may at the most bring up a subject for discussion and explain one side of the case, but the Tariff Board has been appointed to examine such economic questions from all points of view, and therefore it is their function to say whether an import duty should be levied on wheat or on any other article.

Mr. Goswami M. R. Puri (Central Provinces: Landholders): Sir, many speakers during the Budget discussion have been able to establish the fact successfully that the policy of the Government of India has been one of increasing the expenditure of the administration day by day and thus putting an unbearable burden upon the tax-payers and also upon the poor tenants who constitute a major portion of this country. I will try my best, Sir, to deal with the same subject rather from a different point of view.

It is an indisputable fact that the general depression has spread all over India, for some reason or other. The first and foremost point which strikes everybody is, why should the Government of India be required to spend such a big amount every year for the maintenance of the administration of India then the same could be easily carried on at a comparatively less cost!

Yesterday, my friends Dr. Ziauddin Ahmad, Raja Bahadur G. Krishnamachariar and several others were able to establish the fact that the present policy of the British Government of India with reference to spending huge sums of money unnecessarily on various departments is totally unjustifiable. Had the Government of India followed sincerely the recommendations of the Indian Retrenchment Committee, that is the Inchcape Committee, I am sure the poor people of this country would not have been buried under the burden of such a heavy taxation.

Sir, the whole of India is, as I have just pointed out, undergoing a general depression, and it would certainly have been most becoming on the part of the Government if the various taxes which have been levied on the people of India—and to which the Government contemplate adding additional taxes—had been reduced to a reasonable standard at such a critical time. I do not mean, Sir, that the Government of India should not tax the people at all, but what I mean to insist upon is that a moderate and reasonable scale of taxation should alone be introduced.

Sir, during the Budget time many of the Members on this side have suggested the possible and reasonable ways of curtailing the expenditure of the Government of India and even during this discussion the same point is being discussed. It is not, Sir, that the expenses of the administration of the Government of India are extravagant in the Military Department but if one were to scrutinise all the Departments minutely, I am sure, Sir, he would be fully convinced that the same was the case with the rest of the Departments as well.

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No doubt, the Military Department deserves a great deal of retrenchment, but other Departments like Posts, Telegraphs and others also deserve a great deal of curtailment without affecting the efficiency of maintaining the administration. Sir, I would invite your attention to one of the paragraphs from the Report of the Indian Retrenchment Committee on Posts and Telegraphs. This is what they say:

"The number of officers employed has increased from 514 in 1913-14 to 679 or 32 per cent., whereas the number of other staff has only increased by 17 per cent. * * * We think that the number of officers should be reduced to the level necessary to maintain the same ratio of officers to other staff as that which obtained in 1913-14. This effects a total saving of 88 officers costing roughly Rs. 6 lakhs per annum."

But we are sorry, Sir, instead of following strictly the instructions of the Inchcape Committee, the Government of India have been able to reduce only 6 officers, thus ignoring the recommendations of the Inchcape Committee. If the Government seriously contemplate reducing expenditure of the Department, they will necessarily have to reduce the number of officers. At present the Department spends—I am speaking of the Post and Telegraph Department—on an average Rs. 694 per month for an officer, excluding special pay and allowances, and Rs. 42 per month for a subordinate. The Department, therefore, expends nearly 17 times more for an officer than for a subordinate. The saving effected by reducing one officer will be equal to that effected by 17 subordinates.

Now, Sir, there is considerable scope for effecting retrenchment in the controlling and supervising establishment. The Controlling officers are: (a) the office of the Director General, Posts and Telegraphs (b) the Offices of Postmasters General and Director of Posts and Telegraphs and so on. Now, as regards the Directorate, about two years ago there were three Deputy Directors General in the office of the Director General, but since the last two years, the post of an additional Deputy Director General has been created. Considerable retrenchment in the subordinate staff of the office has been effected, which goes to show that the volume of work has decreased due to delegation of some of the Director General's powers to the Postmasters General. There is no necessity for the 4th Deputy Director General and the post may be safely abolished. Similarly, two out of six posts of Assistant Directors General may be abolished. This will effect a saving of 70 thousand.

Then as regards Circle officers, there are 14 Deputy Postmasters General, of which nine posts may be safely abolished. Each of the Circles of Bombay, Madras, Punjab and the U. P. have got two Deputy Postmasters General and Assam and Bengal Circle has got three. One Deputy Postmaster General for each of these Circles will be quite adequate and the other posts may be safely retrenched without any deterioration of efficiency.

There were formerly no Deputy Postmasters General in the smaller Circles of Bihar and Orissa, Central Provinces and Burma but now each of them has one. The Postmasters General in these Circles are not required to remain away from headquarters for a long time and they can well manage their Circle with the help of the Assistant Postmasters General. The post of the Deputy Postmaster General in each of these smaller Circles may be retrenched without any deterioration of efficiency. *This will result in a saving of Rs. 1,62,000 per annum.*

The Sind and Baluchistan Circle has been in existence up to 1907, but was abolished as there was no necessity for the separate control over a small and at the same time comparatively unimportant isolated area. Sind and Karachi were added to Bombay Circle and Quetta and Baluchistan to Lahore Circle. The re-creation of this Circle has effected a yearly average saving to the Bombay Circle Office to the extent of Rs. 17,500 and to Punjab and N.-W. F. Circle, whereas the annual maintenance cost of the re-created Circle is Rs. 69,000 (*vide* Government reply to question No. 48, by Mr. S. C. Shahani). The re-creation of the Circle instead of enhancing administrative efficiency has considerably lowered it and has added to the hardships of the staff. *The abolition of this Circle will effect an annual saving of Rs. 48,300.*

Range Offices in Bengal and Assam Circle.—There are two Range Offices in Bengal and Assam Circle, *viz.*, one at Dacca and another at Shillong. These offices are altogether unnecessary but costly appendages. They are merely conduit pipes or forwarding channels and have very little ultimate authority in anything. In all important matters they cannot decide, but refer the matter to the Postmaster General for decision. Instead of contributing to efficiency and expeditious decision on urgent questions, they hamper efficiency and cause unnecessary delay. The abolition of these Range Offices will result in the reduction of two posts of Deputy Postmasters General, as well as of a large staff and result in an annual saving of nearly Rs. 1,50,000.

Divisional Officers.—There are altogether 180 Divisional Superintendents of whom 6 are reserve Superintendents. Of the remaining 174, thirty-one are working as Assistant Postmasters General; 8 as City Superintendents and 18 are in charge of R. M. S. Divisions. The main duties of a Superintendent are: Inspection of post offices, investigation into cases, posting of clerks in different Post Offices under their control. So far as the inspection of accounts, sub-accounts, money order and savings bank branches are concerned, it is mainly done now by the Audit Inspectors. The telegraph branches of combined offices are also inspected by Telegraph Superintendents, besides most of the post offices are inspected by Inspectors and a very limited number of offices is inspected by Superintendents. As regards the investigations, the bulk of the work is done by the Inspectors, and it is on rare occasions that the Superintendents make personal enquiries into cases of highway robbery of mails. As regards appointment and posting the work may be delegated with advantage to Head Postmasters who are at present maintaining all records in connection of posting of officials in different places for preparing pay bills, maintenance of service books, verification of service for pension and account clerks are provided for these particular works. If this work is done by the Head Postmasters as is now done by the first class Head Postmasters, the Superintendents will be relieved of much work, and unnecessary duplication of work will be avoided. Again if all the Head Postmasters in the grade of Rs. 250—350 are given first class powers they can easily and efficiently deal with complaints, investigate into loss or fraud cases and the Superintendent will be relieved of a considerable part of the duties, and at the same time much unnecessary duplication of work will be avoided. If these proposals are accepted, as they can easily be, the work of the Superintendents will be considerably lessened and one Superintendent will be able to exercise

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supervision over two existing Divisions, that is to say, two existing Superintendent's Divisions may be blended into one. This will enable the Department to curtail 59 posts of Superintendents, and the logical sequence of the abolition of 59 Superintendents' Head Clerks, who may be utilised for performing the duties of Inspectors. This will lead to greater efficiency in supervision than now and will result in a saving of nearly Rs. 2,50,000. There are 8 City Superintendents of whom 3 are in Calcutta, 3 in Bombay, 1 in Madras, and 1 in Rangoon. Under the scheme formulated by Mr. C. D. Rae, formerly Presidency Postmaster, Calcutta, the City Superintendents' Offices in Calcutta have been amalgamated with that of the Presidency Postmaster and much duplication of work has been saved thereby and much of the work formerly done by the City Superintendents is done now by the Presidency Postmaster himself. If the scheme is adopted in Bombay, it will also reduce the work of the City Superintendent considerably. In that event one City Superintendent will suffice for Calcutta and Bombay and the post of the City Superintendent may be abolished in Madras and Rangoon, which are much smaller towns in comparison with Calcutta and Bombay. Six posts of City Superintendents may thus be safely abolished and a saving of nearly Rs. 38,000 per year will be effected thereby.

The R. M. S. "N" Division which was newly created by splitting up of "C" Division may be re-amalgamated with the "C" Division and R. M. S., "P" Division may be similarly amalgamated with "A" and "O" Divisions. The Headquarters of "N" Division is in Calcutta and that of "P" Division is at Benares although the Postmaster General Bihar and Orissa exercises control over these Divisions. The abolition of these Divisions will result in improved efficiency in administration as well as in considerable saving. Similarly "K" Division may be amalgamated with "W" Division.

The six posts of Reserve Superintendents are superfluous and unnecessary and may be abolished. There is a large number of officials in each Circle who have passed the departmental examination for Superintendent's appointment and are in the waiting list. They may act as Superintendents when any of them go on leave.

Special Pay and Allowances.—Six Assistant Directors General, some of the Deputy Postmasters General and all Assistant Postmasters General and some of the Divisional Superintendents get *Special pay*. Over and above special pay the Officers posted in Calcutta, Bombay and Rangoon get *Compensatory Allowances* in addition to house rent. If special pay and house-rent allowances to those who are in receipt of house-rent allowance are abolished, a total saving of nearly Rs. 60,000 a year will be effected.

Now, lastly, considerable savings may also be effected by abolishing the "Imperial Mail Train". This train is run practically for the purpose of facilitating travel to Europe and as such it is intended for Europeans. You can abolish this train and the passengers and the mails can go by the ordinary mail trains, even though they reach the destination a few hours later.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur cum Orissa: Muhammadan): Sir, instead of increasing so many taxes and putting an extra burden on the people of this unfortunate country, I would ask the Honourable the Finance Member to curtail the expenditure of the Army. I know, Sir, he is himself helpless in this matter. I will deal with the question of the Army in later stage of my speech.

Sir, I will also tell the Honourable the Finance Member that India is mainly an agricultural country and not an industrial one. More than 90 per cent. of its population depends wholly and solely upon agriculture and therefore we must primarily concern ourselves with helping the agriculturists. The abnormally low price of the agricultural products of this country has been such this year that the peasants and zamindars have been compelled to part with almost the whole of the produce of the year to pay rents and taxes, leaving practically nothing to feed themselves. This is a serious state of affairs which no Government having the least concern for the welfare of the agricultural population can ignore. I ask the Honourable the Finance Member to witness the wretched condition of the ill-fed and half-clad tillers of the soil in the villages who have been reduced to the verge of starvation. I request him to solve this difficulty without delay if he is really sympathetic towards the poor people of this country. (Applause.)

Sir, everything that is needed by us the Indians is very dear. The free competition has been stopped in the name of protection and naturally the prices of every day necessities have gone up. Had this dearness been conned to luxuries only, I would have no occasion to complain but the wonder is that the bare necessities of life are dear. The things that we have got to sell are very cheap and those we require for our use are dear but the Government do not pay any heed to it.

Good products in India depend on the fertility of the soil. Fertility of soil depends on irrigation. The great trouble in this poor unfortunate country is that the Provincial Governments are short of funds and the Central Government does not care for irrigation. The little money that the Government have set aside for irrigation is really very disheartening. For a country whose entire population depends upon agriculture, this amount is rather disappointing.

Sir, there are numerous shallow rivers in the country which can easily be converted into canals by stopping their water and putting gates in them. If this can be done, besides the saving of a lot of money, the fertility of the country can be enhanced and there will be no fear of the destruction of the crop for want of monsoon. The Government should take the administration of the whole subject of irrigation into their own hands and should run it on commercial lines. I suggest most emphatically that the Government will not lose a single pie rather, if it managed properly well, it will be a source of permanent income and at the same time it will increase the commonwealth of the country. By spending some money the rivers can easily be converted into canals and thus if there is a good produce the income of the Government will also increase.

Sir, the next point is that the Retrenchment Committee which is proposed to be appointed will be of no use unless the Government are prepared for thoroughly overhauling every branch of the administration because the whole system requires a change. The Government, leaving aside its attitude of persistence, should really try to find a solution of this question. They

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should not restrict its composition only by supporting those who are in agreement with their policy and who support them in every thing right or wrong but men of reputation with wide knowledge of administration should also find their place on it. Unless that is done, in my opinion no useful purpose will be served by this Committee. Those who oppose the present system and those who think it unworkable should also get some seats on that Committee. Opposition Benches should get a chance to express their views and to suggest measures for retrenchment and improvement. For satisfactory results it is essential that there should be small different committees for the different departments. For the sake of economy I will suggest that these committees should work either in the Simla Session of the Assembly or just before the session.

Sir, my next point is about the borrowing policy. If the policy of borrowing abroad is to be continued, certain changes should be made in the procedure. In the first place, it is necessary that there should be a Council of National Debt, whose duty it would be to accord sanction to the flotation of all loans and especially the foreign loans, and otherwise do everything in the best interests of the country's credit. The same Council of National Debt should decide the necessity of a loan, the marketing, place for such loans, the rates and the terms of the loans. I cannot agree that the borrowing policy and loan project should be the secret of the bureaucracy and the money barons. If these loans are public debts you should ask and consult the representatives of the public. This suggestion might be unique but you cannot deny it to the representatives of the people. Can you imagine, Sir, that prospectus of a loan was issued the same day, the list was opened the same day, and the same day it was closed with the result that the application was for 700 per cent. of the amount offered, and if my information is correct, the list was open for half an hour only. Sir, what was the main cause of the overwhelming demand? Was it not the extraordinary rate of interest? In the second place India must shake off her dependence on a single market like London and at the next opportunity, she should negotiate for the flotation of a dollar loan in New York or a franc loan in Paris. France is now consumed with the ambition to figure as a great international monetary centre. With this object in view, the Government of France has removed and is contemplating to remove further many of the disabilities which have kept Paris in the back-ground as an international lending centre. I think Paris is expected to take a leading part in international lending and the amount of new capital available for investment in France is indeed colossal. It will therefore be opportune for India to tap new markets like Paris and New York and shake off her dependence on the one which in interest matter is not at all friendly to her.

Sir, although the Honourable the Finance Member has touched the ratio question at the end of his speech, I attach very great importance to it. It is the cause of the greatest concern to every patriotic Indian. The Currency Bill was forced upon the country in the teeth of the greatest opposition from the non-official Members of this House. The good of the country entirely depends on its exports and not imports because the exports bring in wealth and the imports take it out of the country. Now, we have got to consider whether this ratio of 1s. 6d. will be of any real benefit to the exports of the country. I will say "No, it is not". The rate of the commodities which this

country produces is settled in pounds, shilling and pence and when we sell a thing for £100 we get approximately Rs. 1,320 but if the ratio was maintained at 1s. 4d., India would have got Rs. 1,500 for the same articles sold out for £100. This defective currency policy of the Government has been responsible to a great extent for the economic depression, the trade depression and the agricultural depression. The very great loss which this ratio inflicts upon us is also from those countries other than Great Britain in which our commodities find their market. In exchange for our jute, grains, cotton, etc., the foreign countries pay in their currency and that is converted into pounds and on conversion of these pounds into rupees the loss is apparent. On account of this ratio exchange the money return has been decreased to a very great extent. The country is passing through such a period when there is gloom all over and it hits very hard the poor people of the country when buy anything except their daily bread. If the price of gold comes down to one rupee per tola, it will remain as dear to the poor as it is now and on the other hand if its price is raised to rupees hundred a *rati*, it will continue to remain cheap to the rich. The purchasing capacity of the Indian people has been seriously diminished. The retaining of this ratio of 1s. 6d. at this juncture betrays what I may call a spirit of callousness in the Budget. Sir, we have now had a sufficient experience of the evils which were forecasted in this House in 1927 in connection with this 1s. 6d. ratio. The Government in my opinion do not fail to realise its evil results in their heart of hearts but simply to please others they are thrusting this ratio on us. Sir, I ask "Is it a fair or proper treatment to the people of this country of which you are considered guardians?" My Honourable friend, the Finance Member, cannot even now sacrifice his 1s. 6d. ratio. He must maintain it at that level at any cost. No matter whither we go, we cannot get out of our way the stumbling block of the ratio which has become a part of his policy.

Sir, only the other day in reply to a question, it was stated in the House of Commons that the Government want to retain this rate of exchange. I want to tell the Treasury Benches in plain words that this attitude of theirs will not at all materialise and will end in disaster. Sir, they must remember whatever may be our differences with the Hindus or with the other communities of India we are all Indians; and I would prefer a Hindu Government to a Muslim Government if the latter denies bare justice to its people. (Loud Applause.) Sir, I earnestly appeal to the Finance Member that he should stay his hands even now and should not take any further artificial measures to support the 1s. 6d. exchange ratio of the rupee. If he will agree to do it, I am sure much of the troubles with which we are confronted will disappear.

Sir, my last point is about the Army policy. Sir, the Army in India is unique in its constitution; as far as its expenses go, it is an Indian affair pure and simple, but where its utility is concerned, it is Imperial. There has been no war in Asia between England and other countries in which Indian troops have not been employed, and let me add, Sir, that in the majority of cases it is the Indian Exchequer that has borne the brunt of the expenses. In a number of cases we have been saddled with the ordinary as well as the extraordinary expenses of expeditions, and in only rare cases the War Office of England has borne the extraordinary expenses of the Army. I have recited this history in order to explain why we wish that the Army question should be reopened in all its aspects. Taking into consideration its Imperial utility and the requirements of England as a great

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European Power, it is necessary that the adjustment of expenses should be also on the same basis. Sir, this is not my personal opinion only. The capitation charges, Sir, have increased enormously over what they were in pre-war days, and it is due simply to the short-service system which has been introduced in the post-war years. I would also point out that this system was introduced in England for its European need which compelled her for financial reasons to keep a small standing Army and to have a big reserve in order to draw upon that in cases of need. This will show that in utter disregard of our needs and our capacity to pay a system detrimental to our interests, and exhausting for our purse, has been introduced without our sanction or even giving us an opportunity to advise the Government of India. I am very sorry to say that nearly the whole of the Army Budget was kept as a non-votable Demand. Its meaning was that Government did not want our sanction, did not want our advice about it. We are asked blindly to pay any amount demanded by the Army Department, which has no concern with our revenue, which does not know our condition, the condition of our purse. On a scrutiny of the Army Budget of 1930 and 1931, I find that in the fighting units there has been a slight increase all round. The case with the staff is just the same, *viz.*, there is an increase in every head except in the head of the poor clerks whose number has been reduced by 24. While admitting the necessity of retrenchment and taking pride in having reduced, though partially, the enormous burden of the military Budget, His Excellency the Commander-in-Chief has not taken into his consideration the fact that administrative services, which are the pet children of the whole of the Government of India, are allowed to expand and to spend more and more money every year. The actual of 1929-30 was 6.74 crores, and it has been estimated for 1931-32 at 7.24 crores, it means an increase of 50 lakhs under one head only that has no concern with the fighting qualities of the Army.

Sir, we have read in history that Nero was fiddling while Rome was burning. While, Sir, India is faced with a deficit of about 14 crores, while trade is ruined, while the agricultural masses are starving and the zamindars have not sufficient money to pay the revenue, His Excellency the Commander-in-Chief is generously spending on all his Departments without any hesitation. If you wish for an example of the great generosity, you can see that 50 lakhs have been estimated for the marriage allowances of British troops only (Laughter); and now, with your permission, may I ask, Sir, what amount has been kept for the marriage allowances of the Indian troops? Sir, I do not want to hear reasons and explanations; I want to know the figure. (Applause.) I suggest, Sir, that if the Government want to satisfy us, if His Excellency the Commander-in-Chief respects our demands, His Excellency must announce in the near future that at least one whole Division is going to be Indianised wholly and that steps are being taken for an Indian Military College, and that all the savings of the Army Department will be reserved for that purpose. The spirit manifested by H. E. the Commander-in-Chief in the Council of State will encourage the hope that the time for a change of heart has come; and as His Excellency the Viceroy has conquered our hearts by bringing peace in the country, I hope H. E. the Commander-in-Chief will also leave an everlasting name for himself and gain a place in our hearts by genuinely reducing the Army expenses and by bringing the Army more into line with the national demand. (Loud Applause.)

Mr. H. A. Sams (Director-General, Posts and Telegraphs): Sir, I do not want to intervene in this debate and add to the number of speeches already made, but I feel that after the somewhat frontal attack from my Honourable friend, Mr. Puri, I must reply on behalf of my Department. I will do so as briefly as possible. Mr. Puri, Sir, has quoted a passage from the Inchcape Committee's Report in which the number of officers employed was said to have been 679. This debate has been rather sprung upon me, and I have not had an opportunity of analysing that figure. It is doubtless correct as printed in the Report. I remember however that at the time there was some doubt whether the figure was not capable of considerable explanation. However that may be, the actual figure for the gazetted officers of the Department today is 578 gazetted officers, of which the greater majority are gazetted officers drawing a pay roughly in the neighbourhood of Rs. 300 up to Rs. 750 and are analogous to what are known as Provincial officers. There are, I should say, not more than, probably less than, 130 superior officers according to the accepted sense of the word. Mr. Puri has talked about the addition of another Deputy Director-General. But he has forgotten, or perhaps he is not actually aware of the fact, that when the third Director-General, or fourth including the Director-General of Traffic, was appointed, the post of Deputy Chief Engineer, Telephones, was abolished simultaneously. It therefore left the number of administrative officers exactly the same. He also wishes to abolish one of my Deputies owing to the fact that the work in my office has decreased because we have been able to delegate work to circles. This has certainly brought a welcome relief to my office, but at the same time the volume of work is still high, and I should be very glad of further relief. On this account also he wants to abolish two of my Assistant Directors-General. Well, I can only say that these officers are picked men; so far as I am aware, they are quick workers, and yet every single one of them has to take work home every night and has to work every Sunday in order to get through the work—so much so that the Audit Department has been objecting to the coolie hire which they have been demanding for carrying their files to and from their houses. Mr. Puri, Sir, would like to abolish nine Deputy Postmasters General! This is a somewhat drastic measure. Every single one of these Deputy Postmasters General has from time to time been sanctioned after the most careful consideration not only of myself and my predecessors but also of the Government of India both in the Finance Department and in the Department of Industries and Labour. The work in the Circles owing to various causes is now so complicated and so difficult that it is absolutely essential that the Postmasters General, if they are to exercise proper control and supervision, should have adequate and responsible help to assist them in carrying their burden. Mr. Puri has mentioned certain specific cases, namely, that of Bihar and Orissa, which had not a post of Deputy Postmaster General. In the case of Bihar and Orissa, the Deputy Postmaster General given to that Circle was given when the Railway Mail Service was removed from the control of an independent Deputy Postmaster General and handed over to the control of the Postmaster General for administrative reasons. Thus, Sir, the Deputy Postmasters General, instead of being used definitely for the Railway Mail Service work, were given to smaller Circles in order to assist the Postmaster General. In the case of Burma, which as the House is well aware, used not to have a Deputy Postmaster General, it was I myself who got the Government to agree to his appointment. The work in Burma, as elsewhere, had been increasing enormously and

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it was entirely impossible for the Postmaster General, who is also responsible for the whole of the engineering work in what my Burma friends will admit is a large country, to manage this work unless he had a Postal Deputy who would be able to take his share of the postal burden. As regards the Sind and Baluchistan Circle, that was re-created in, I think, 1922, at the express desire of the commercial community in Karachi, who complained that the Postmaster General of Bombay had not been visiting Karachi a sufficient number of times. As Postmaster General of Bombay, I did my best to remedy that; but, Sir, my predecessor, Sir George Clarke, realised that an important city like Karachi had a claim and, therefore, with the approval of the Government of India he amalgamated Baluchistan with Sind. I deny that the interests of the staff are any the less well looked after than they were under the Postmaster General of Bombay. There is, I am sorry to say, a good deal of communal feeling rife in Sind, but I hope that it will die down in time and I am satisfied and have every confidence in the Director of Posts and Telegraphs in the Sind and Baluchistan Circle. He is as competent and sympathetic as a Postmaster General in Bombay, several hundreds of miles away.

As regards the Range Office at Dacca, that I have very carefully considered. All communities, so far as I am aware, in Dacca itself are in favour of the Range Officer remaining in Dacca. Dacca, as my Honourable friends from Eastern Bengal know well, is an important centre and it is of great advantage to have on the spot an officer who can decide at once a large number of cases which formerly had to be referred to Calcutta. The number of cases actually referred to Calcutta is comparatively small.

Shillong, as you are aware, is still further away from Calcutta and the Assam Government, I think, would not agree or would protest strongly against having their postal officer taken away from them. Actually the amount of savings would be practically nil. My Honourable friend, I think, has somewhat misunderstood the work of the Postal Superintendents. I hope he will take an opportunity one day of actually visiting a Postal Superintendent's office and seeing what he actually does. If he does so, he will, I think, be the first to admit, if he studies the question on the spot, that the work which the Postal Superintendent does is practically impossible for a Postmaster to do. A first class Postmaster can do it because his area is a compact city or town. The Superintendent of Post Offices has to control, administer and look after a very large tract which is always a district and very often a revenue division. We have already tried the Postal Surveyor system which is in force in England and I can tell the House that it failed signally. Mr. Rae's system, which Mr. Puri mentioned, has not, I think, actually resulted in reducing the number of City Superintendents in Calcutta. In any case, it is absolutely imperative that in important cities like Calcutta, Bombay, Rangoon and Madras, we should have under the Presidency Postmasters, officers who are able to help them in their task which would otherwise be almost impossible. As regards Railway Mail Service Divisions, which my Honourable friend has mentioned, that is purely a matter of re-arrangement in order to place in each Circle, the Railway Mail Service under the Postmaster General, and it has not in fact added any new appointments to the cadre of Superintendents.

As regards Reserve Superintendents, we are, in the Department, agreed that they are perhaps no longer necessary and they will be reduced gradually by absorption.

As regards special pay, when you ask officers to work as Assistant Directors-General or Assistant Postmasters General, they have to work with some extra inducement or at any rate some appreciation of that fact should be given to them. That is not peculiar to the Posts and Telegraphs. It is common, I think, to most of the Departments.

Finally, if I may, I will read a very short passage, which sums up the position much better than I can myself sum it up, from a Report by the Ryan Committee of 1924-25, *à propos* the number of officers:

"From this it will be seen that the number of officers in the Post Office and Railway mail service has remained practically unchanged. On the general question, we would say that it appears to us that the summary reduction of staff in response to demands for economies, when not based on detailed consideration of the necessities of the work of the Department, and involving, as it does, the reversal of decisions initially taken as a rule after considerable discussion when the cadres were fixed or increased, is apt to prove an unwise measure."

Captain Sher Muhammad Khan Gakhar (Nominated Non-Official): Sir, I just rise not to make a lengthy speech, but to say a few words to remove the misunderstanding which may have taken place by the speech of my Honourable friend Kunwar Raghubir Singh. He mentioned yesterday something about Mr. Brayne's destructive work

Kunwar Raghubir Singh (Agra Division: Non-Muhammadan Rural): On a point of personal explanation, Sir. If I used the word "destructive" it was because Mr. Brayne was carrying on a propaganda in Europe during the Birkenheadian regime against the Indian masses and painting them in the blackest colours, and so I suggested the word "destructive". I have nothing to say against his working in India. So I think there is really no misunderstanding, and my meaning is clear.

Captain Sher Muhammad Khan Gakhar: My Honourable friend has cleared the misunderstanding. One should go to his district and see what Mr. Brayne is doing to improve the rural life and interests. I have made this statement before this Honourable House because, I, being one of the Jhelum district, see Mr. Brayne's work closely.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Is he still in India?

Captain Sher Muhammad Khan Gakhar: Yes, he is, and he will be here for a long time.

So I am in a better position to form an opinion on his schemes and efforts and I honestly say, and I hope my Honourable friend, Nawab Major Talib Mehdi Khan, will support me, that no one as a District Officer has done within my knowledge, such real constructive work as regards rural uplift and improvement as Mr. Brayne has been doing for the last two years in the Jhelum District.

Mr. Jamal Muhammad Saib (Madras: Indian Commerce): Sir, I oppose all new taxation and particularly the increased taxes on income and the increased duties on kerosene. I do not think the country can bear any more taxation nor is there any necessity for it. It is all due

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I think to the Government not having retrenched as they ought to have done. Last year they budgeted for a figure of 135 crores and this year they have got the same figure. I cannot see where the retrenchment comes in, and this in spite of the heavy falls in prices and in the cost of living and the great depression in agriculture, trade and industry. According to the Finance Member, the fall in prices between September, 1929, and December, 1930, had been as much as 36 per cent. in exports and 16 per cent. in imports. In spite of all these things we see still the same figure in our Budget. That is why I say that there had been no retrenchment at all. Further it appears to me that they are completely out of touch with the present state of the country and its people. If we say all this we are confronted with the technicalities of votables and non-votables and the bringing in the question of harmonising the salaries of officials in the Central and Provincial Governments. Well, if they have to put so much additional burden on the people who are already very much crushed, I think they could easily forego these technicalities in a way and also by this time they could have found time to get into touch with the Provincial Governments to make harmonious retrenchments in all those salaries. But they will not do anything of the sort.

Then as regards the military expenditure I consider it still very high. I want to point out one or two things to this House. The Indicape Retrenchment Committee recommended 57½ crores for 1923-24. In that year the expenditure was brought down to 56½ crores, although the Budget for that year was for 62 crores, and it was a reduction of 9 crores from the previous year; as the previous year's expenditure was 65½ crores. But after that for eight years up to 1931-32 it had been cut down by only 3½ crores. In the meantime they had the advantage of the ratio to the extent of 12½ per cent. and the falling prices. My point is this. It is because the Retrenchment Committee recommended that the expenditure should be brought down, it was brought down by 9 crores in one year and that in spite of the fact that for that particular year the Budget was for 62 crores, that is to say, 6 crores less than the Budget estimate of that year and 9 crores less than the actual expenditure of the previous year. I therefore want to urge upon the House that unless we lay down a policy and tell the military authorities plainly that we shall give them only so much, they will never retrench. For you see that after that for 8 years their cutting down comes to only 3½ crores. The answer may be given that they are guided by expert opinion. Of course, like all experts, they generally try to make things very very safe and in their anxiety to do so sometimes they not only provide for very remote contingencies, but at times also for improbable probabilities. So unless we lay down a policy and tell them that only this amount will be given, I do not think they are really going to cut down the expenditure. We have allowed the Military Department to spend much more than is required or justified simply because the people had no voice in the matter. Now, we cannot stand the strain any more and more so in the present circumstances.

As regards the increased taxation on income, I consider, as Mr. Mody said the other day, that it had already become really a tax on capital. People in business know that it is really a tax on capital and now they want to increase it still further to the serious injury of the people in trade and commerce and to the further detriment of trade and commerce. Then

the Finance Member said the other day that if he allowed the carry forward of losses he would have to find a crore of rupees. There was a suggestion that by increasing the export duty on hides and skins he may have half a crore or one crore. I say that when it is a question of justice combined with industrial development the thing should be carefully considered. I completely disagree with the Finance Member when he said that so far as the revenues and the collection of taxes are concerned Government should only be guided by questions of expediency and nothing else.

Sir, I now come to the tanning industry. It had been admitted, although figures are not available for inland trade, that the production of skins and hides in this country comes to about 40 or 50 crores per annum. The import of manufactured articles comes to less than a crore of rupees. Leather, artificial leather, boots and shoes and everything else come to about 90 lakhs, and if you take away the cost of production in other countries, I think it will come to something like 50 lakhs worth of skins and hides. You cannot protect an industry or trade of about 50 crores or something like that by obstructing the import of 50 lakhs or even a crore of rupees. That this industry had this peculiar circumstance about it and that it must therefore be protected by an export duty was recognised by the Government themselves and they levied in 1919 a duty of 15 per cent. *ad valorem* on the export or raw skins and hides.

But unfortunately that coincided with the world-wide depression of 1920-21. Some people attributed the heavy fall of 1920-21 to this duty and now of course everybody knows that that fall was all due to the trade depression existing then and nothing else. All trades were depressed in that year and so was this trade in raw skins and hides too. I have only to point out that now practically there is no duty on hides thanks to the recent action of the American Government and in skins really there is a handicap of 5 per cent. against Indian tanners. And yet we have now a drop of more than 50 per cent. in the prices. What is the cause of it now if the duty was the cause in 1920-21? The duty had nothing to do with it. It was all due to the world-wide depression. Now I want to point

out here that the skins are mainly exported to America—nearly 4 P.M. 80 per cent. As regards hides they go to Germany and other continental countries. These foreign interests have branches and agencies—and that is my point—all over Northern India for the collection of these raw skins and hides for export to foreign countries. Government, misled by the agitation engineered and influenced by these foreign interests who are established all over Northern India, mistakenly reduced the duty from 15 to 5 per cent. in 1923. This wrong action of the Government not only stopped the onward progress of the industry but also stunted and depressed it. From then it had become a hard struggle to keep it going. Then came the rising exchange ratio and then the world depression and now this discriminating revised American tariff of 1930, which was passed in June, 1930, and given effect to in September, 1930. The revised tariffs are these: 10 per cent. import duty on tanned skins; none on raw skins; 15 per cent. on tanned hides; 10 per cent. on raw hides. The net result is our export duty is entirely neutralised and as against an export duty of 5 per cent. we had on skins exported to foreign countries, Indian tanners are now under a handicap of 5 per cent. because the tables had now been turned against us.

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I have to point out here, as I pointed out in another place, that this differentiation between hides and skins by the American Government is due to this fact: most of our raw skins go to America; the exports of raw hides to America are negligible and so they do not worry about the hides. Let us see what the result of this American action is: For ten months—April to January—the shipment of tanned skins and hides from the whole of India to all destinations fell down from 818 lakhs in 1928-29 and 688 lakhs in 1929-30 to 541 lakhs during the last ten months ending with January, 1931—or a fall of 20 per cent. compared with 1929-30 and of 34 per cent. compared with 1928-29. The first may be due to depression, but the last must be due to some other cause and that is the revised American tariff. Let us see it in another way. The duty came into effect in September, 1930: so I take it this way: April to August (five months) the corresponding exports of tanned skins and hides were 295 lakhs; September to January they were 246 lakhs or a fall of 17 per cent. If you take only the shipments to America this is more striking: Tanned skins and hides shipped to America during the five months of April to August were Rs. 4,30,000 and September to January Rs. 1,90,000 or a fall of 56 per cent. That this is not due to depression will be made clear by comparing also the exports of raw skins and hides to America. April to August for five months our exports of raw skins and hides to America were 127 lakhs; September to January 93 lakhs or a fall of 27 per cent. I do admit that you cannot compare like this the first five months and the second five months, because there are always differences in the different seasons. Therefore let us compare it in another way, allowing for the changes in the demand in the different seasons. Shipments of raw skins and hides to America for five months—September to January: it was 131 lakhs in 1928-29, 130 lakhs in 1929-30 and 93 lakhs in 1930-31: that is to say, only a fall of 28 and 29 per cent. respectively, as compared with the previous years. As regards tanned skins and hides exported to America for the same period from 24½ lakhs for the same period in 1928-29 it dropped to 13½ lakhs in 1929-30 and to only 2 lakhs in 1930-31; that is to say a depreciation of 86 per cent. as compared with 1929-30 and 92 per cent. as compared with 1928-29. You cannot call this all due to depression. The tanning industry is not even in the position in which it was before the American tariff was levied. If you increase the present duty on raw hides to ten per cent. you will give it the protection which it had till the new American Tariffs took effect while if you increase the duty on raw skins to 15 per cent. you will give 5 per cent. protection only. I am suggesting this to encourage (Interruption) the industry and you will get 45 lakhs new money by that; and if you revert to the old position we were in before 1923 you will have a further increased revenue of 60 lakhs. The first cannot be done now because there is no change of policy and as regards the other thing—restoration to the position we were in before the duty was reduced from 15 to 5 per cent.—the matter can be referred to the Tariff Board or you can have the whole matter—both the cases—referred to the Tariff Board and let them consider it from the point of view of the different interests of the country. (Interruption.) The Tariff Board never considered it. I think my friend, Dr. Ziauddin Ahmad, refers to the Fiscal Commission Report: I have already referred to that. I said the Fiscal Commission was wrong in its finding because they did not take into consideration all the facts connected with this industry. With

the production of skins and hides of the value of about 50 crores and the import of finished leather amounting to less than a crore, you cannot protect an industry which is connected with a trade of about 50 crores by simply putting up a wall against that import trade of less than a crore. To make it clear, supposing we had no imports of cotton textiles, I do not think any protection could be given to our textile industry in India by putting up our import duty alone. That is the position. Some say that by putting up our export duty the outlet for our materials may be affected, but that is not so. The Indian production of hides ranges between 25 and 30 per cent. of the whole world and her production of goat skins is one-third of the whole world's production. Now, if you take into consideration the quantity that could be spared by this country, the position of India, so far as this trade is concerned, becomes overwhelmingly preponderant. I may further point out that we have got certain unique classes of goat skins and hides, and people who are accustomed to use such goat skins and hides will necessarily like to have them. In short, it comes to this. The world cannot do without our hides and skins, that being so and when there are fluctuations which go up to 50 or 60 per cent., if you merely put on a small duty, how it will kill the trade one cannot understand.

There is another thing to be noted here, Sir. 20 or 30 years ago when I was a young man, we used to get raw skins from Amritsar, Cawnpore, Calcutta and other places in the North and we used to tan this material in Madras and send them to America. In those days America was not tanning our raw skins, and so they were buying our tanned skins. Then they wanted to discourage our tanning industry, and towards that end they put on an import duty of 25 or 33½ per cent. and left the raw skins free and thus built up their industry. Well, they have killed the industry so far as we were using our raw stuff from the North, but now they want to kill also the industries using the raw stuff available in the South. Further, Sir, it must be remembered that the tanning industries in the North are meeting only the local demands, but the industries in Bombay and Madras is mainly for export purposes. So it will be seen, Sir, that we are competing with them both in India as well as in the consuming markets of the foreigners. Therefore, the underlying idea is to kill our industry for the simple reason that they will get the whole of our raw products at their mercy. For then they will not have to face our competition. Is that a state of things which this country would welcome?

Another thing I want to bring to the notice of the House is this. When the Cess Committee was considering this question,—and I was a member of it,—representations were received from almost all commercial bodies, industrial associations and other organisations including the Provincial Governments. Almost all of them wanted the maintenance of the present protective duty, and in some cases they suggested even an enhancement of it. Of course, one or two associations which were concerned only with the export of raw skins and hides did not want this export duty. (Interruption.) I have already referred to that.

Now the position is this. The evidence which we received in the Cess Committee showed that the country wants this export duty. The Federation of Indian Chambers have been agitating for the enhancement even of the existing duty, whereas the Associated Chambers of Commerce wants that this duty should be removed. Now, I want the House to remember this. Almost all the tanners are Indians, perhaps there may be one or two per cent. who are not Indians. So I say that the opinion of the

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Indian bodies in this matter should carry weight, and not that of the European Association, because so far as the industry is concerned, it is mainly manned by Indians, and therefore their opinion must carry the greatest weight. Not only that. Sir, recently the Madras Government seeing the serious state of affairs in Madras,—because Madras is supposed to be the largest centre in the whole world for the export of tanned skins and hides—made a representation to the Government of India; the Tanners' Associations and other bodies interested in this industry have also been making appeals and protests, but the Honourable the Commerce Members seems to be sitting tightly over them all and doing nothing. Perhaps he may think that some two or three years ago this question was decided. The immediate cause why this question has become so urgent and pressing now is the action of a foreign Government taken about six months ago thus creating an entirely new situation. Therefore, what I want to submit to the House is this, the Government should immediately restore the old position which existed before the American duties came into vogue; and that will give them 45 lakhs new money, at the same time—if they do this—they will be uplifting this industry which is fast sinking. With regard to the question of further protection, they can refer that question to the Tariff Board.

Now, Sir, I want to say a few words about the exchange ratio and contraction of currency

Diwan Bahadur T. Rangachariar: Sir, before my friend goes into that subject, I should like to ask him how he meets the argument urged yesterday by our friend, Dr. Ziauddin Ahmad. Here is 50 crores trade in hides and skins. If you increase the duty that trade is likely to be affected, and instead of encouraging the trade, it will have to be buried in the earth. That was the argument made yesterday. Does my Honourable friend meet that argument?

Mr. Jamal Muhammad Saib: It was thoroughly gone into.

Dr. Ziauddin Ahmad: We would like to know how (inaudible).

Mr. Jamal Muhammad Saib: I must point out that the export trade in raw skins is only recent. I have got the Report here, and I can read the sentence. (*An Honourable Member:* "Please read it".)

Diwan Bahadur T. Rangachariar: The point is, is the trade likely to be diverted from India?

Mr. Jamal Muhammad Saib: I understand the point. "The development of an export trade in raw skins, especially in goat skins, is comparatively more recent than in the case of hides." The point is this, until recently India was consuming all her finished goods and also exporting some of them to foreign countries. It is only after the introduction of the chrome tanning industry and the cheapening of transports, that some of our raw materials are being exported. The answer to my friend is this. Out of 40 to 50 crores of trade, we are now exporting only about 8 crores work of raw skins and hides, both put together. We have got tanneries not only in Madras and Bombay, but also throughout the country from

Calcutta to Peshawar. I mean those small tanneries which work as cottage industries and which cater for local needs. In Northern India even a poor sweeper wears shoes, and all this stuff is made by the local manufacturers.

Another thing I want to point out is this. Just before the war, taking the case of Madras alone, our shipments were less than 3,000 bales of tanned hides per month, but during the war, our shipments went up to 8,000 bales per month. What I mean, is, given the opportunity, we can handle all this stuff in India. Why? When even now we are handling 40 crores worth of stuff in India, can we not handle another 8 crores worth of stuff in India?

Then another point raised by some one here was this. It was suggested that our trade in raw skins and hides may deteriorate, but it is all a myth. One or two years ago, the value of these raw materials was at least twice of what it is today, and in the meantime, if anything has happened, it has happened in favour of the raw hide and skin trade because of the American tariff. In spite of that, we find a drop of more than 50 per cent. The prices depend upon supply and demand, and a duty of five per cent. this way or that way does not very much matter. As I have already said, the point to be considered is this. The industries in other parts of the country have been killed, and there is now only this industry, so far as export is concerned, in Madras and Bombay. If it is also killed, the time will soon come when we will have to depend upon the tender mercies of the foreign exploiters of our raw materials, and they will fix their own prices, and we will have to bow to them. They are using their raw stuffs. We do not get their raw stuffs here. They want to carry away our raw stuffs to their country for the employment of their own men, and why should we not worry about the employment of our own men?

Dr. Ziauddin Ahmad: I should like to finish this argument by reading a sentence.

Mr. President: I cannot allow these interruptions. The Honourable Member (Mr. Jamal Muhammad Saib) will please go on with his remarks.

Mr. Jamal Muhammad Saib: The Honourable the Finance Member in his Budget speech spoke in justification of the policy of contraction of currency. His justification is the falling of prices and trade depression. May I ask him whether other countries have also effected similar contractions? A big country, almost a sub-continent, with a rapidly growing population and in course of development, must require more and more currency and not less and less. The latter denotes an unhealthy state of the country, I should call it dyspeptic, requiring immediate attention. Well, Sir, contraction of currency might take place in other countries once in a way, just as you take a purgative or something like that once in a way. But if it goes on in the manner that it does now in India, I do say it that there is something wrong with the system, which must be attended to immediately. I do admit that the present exchange ratio has in a way necessitated it, because by depressing the industries and commerce of the country, it has weakened the export trade, and at the same time, has induced the flight of capital. As a consequence thereof,—and here I agree with the Government—the Government find it difficult to make remittances home to meet their home charges. One of the methods adopted by Government to meet these difficulties is to contract currency and dispose of that

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portion of the reserves which is held against the contracted portion. At this rate our reserves would all disappear in course of time and there will perhaps be very little currency left to the country for the use of the people and of the trade. The second method is to borrow in London at high rates of interest, thus piling up our debt liabilities as well as the interest charges.

To me it appears that the flight of capital is caused in another way. Since our industries, commerce and agriculture are depressed and since investment here has become unprofitable and therefore unattractive, thanks to the present exchange—what else could capital do? The capital is naturally scared away, and added to that, there is the profit to be made by remitting abroad when the exchange is high. In short, as long as this exchange is high, there will always be this flight of capital, and I would ask the Honourable the Finance Member just to compare the figures of export of capital. If you take the year 1920 when the exchange was very high, and also the years since it became 1s. 6d. and compare them with the figures of those years when the exchange was 1s. 4d. I think he will himself have to open his eyes. The net result of the exchange and currency policy of the Government has been, depressed trade, flight of capital, financial stringency and dear money, and impoverishment of the people. The Honourable the Finance Member has referred to the fall of prices in primary agricultural products. That has restricted production and reduced the consuming power of the agriculturists, which in turn affects the industry and employment and wages of labour. For it must not be forgotten that the demand and wages of labour depend upon the prosperity or adversity in agriculture and industry. Agricultural and industrial countries with larger exports and smaller imports require a lower ratio, just like America.

The Honourable the Finance Member referred to the balance of trade when Dr. Ziauddin Ahmad was speaking yesterday, on the losses on exports not being covered by the gains on imports. In simple terms it might be put this way. It is covered by the remittances of the earnings of foreign shipping and insurance companies and foreign residents in India, and also the remittances of the Government to meet their home charges. Now, the visible balance now may only be equal to meet these home charges, referred to above. Perhaps, it may not even be enough for that. When the balance of trade is much larger and there is a balance left after meeting all these charges and the remittances I have referred to, it increases the import of our treasure. Of course, we are getting some treasure, but not what we used to before; it is about only half. So, I agree that now the losses on our exports may be offset by the gains on imports visible and non-visible put together. He has evidently in mind what the Government are saving by remitting at 1s. 6d. to meet the home charges, and he might save there about 4 or 5 crores of rupees. But I want him just to think over this. That to gain these 4 or 5 crores of rupees, what does he make the people of India do? They have to lose hundreds of crores by the fall of prices and depression in trade and commerce and industry in order that the expenditure may be Rs. 4 or 5 crores less. It is far better to allow people to earn those hundreds of crores and collect from them the additional 4 or 5 crores, if that were necessary, because with a prosperous trade and commerce and agriculture, when the earnings of the people are much larger, they can afford to pay more taxes. This exchange

ratio which is bringing in all these troubles to the country—it is this exchange ratio our Government proclaims from the housetops that it is prepared to maintain at all costs by mobilising all its resources. Now, they seem to have acquired a new and powerful ally in the person of His Majesty's Government, perhaps as a benefit of our Finance Member's recent visit to London, where he might have negotiated the terms of this alliance. I hope, however, that the mobilisation of all the resources will not also include the formidable military resources of both the Governments.

The Honourable the Finance Member very often speaks of the shaking of confidence. I cannot understand why this was not considered when they changed the exchange ratio twice before? Another ground urged is that this House passed the Bill in favour of 1s. 6d. We all know how it was done. Even so, the Act was passed by a majority of only two or three votes and if you take away the Government block, including the nominated Members, then only can you find out the real will of the people and the verdict of the country. It was quite clear that an overwhelming majority was against 1s. 6d. So I do not therefore think there is any justification for the continuation of this ratio.

There were two commissions. One was Babington Smith Committee, of which Sir Dadiba Dalal was a member, and the other was the Hilton Young Commission, of which Sir Purshotamdas Thakurdas was a member. I want to draw the attention of the House to the fact that in the first commission there were about 11 members, of whom only one was an Indian and in the other at least one man who is an Indian was against it. What was the result? When the Government started the Reserve Councils policy on the recommendation of the majority report of the Babington Smith Committee, within a few months they had to throw it out and the wisdom of the solitary Indian, Sir Dalal, was thus justified as against the combined wisdom of all the others put together and I think Government would have done much better if they had also followed the advice of Sir Purshotamdas Thakurdas as expounded in his dissenting minute. They would have then saved themselves and the country much trouble in the second case.

Another argument generally used is that even if it had been an error to fix the ratio at 1s. 6d. it should not be disturbed now, because it will have a disturbing effect. I think it could be altered without any disturbance or with the least disturbance. It is a question of ways and means, once the policy is adopted. They have done it before. I do say this that, even if there be a disturbance, it should be put up with in view of the fact that it is the cause of all our troubles. A little trouble should not be minded. I would compare it to the case of a patient suffering from carbuncle. There will be some trouble if you operate. Are you going to allow the patient to be slowly poisoned to death or are you going to operate, subject the patient to a little inconvenience and save his life. The present method is to save the trouble of operation and allow the patient to die of slow poison.

Another thing I would urge upon this House is that even if the Government do not find their way to meet the wishes of the people, let them take a referendum of the country and then they will know what exactly the country feels in the matter. They know that the country is dead against the 1s. 6d. ratio and they are therefore already talking of safeguards, particularly about exchange and currency, evidently perhaps with a view just

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to hand over an empty shell when they have to hand over the Government of the country to the people. Or it may be that they think too much of the way in which they had managed the currency and exchange policy of the country and that the Indians may not be able to do it so well. We have had enough of this.

As an alternative I would suggest that the whole matter be inquired into by a commission composed of Indian business men and economists with a good and effective representation of the agricultural interests of the country, because the agriculturists are the greatest sufferers of this ratio, even more than those in commerce and industry. The commission should hold its inquiry in India in order to keep in view the interests of this country alone and not those of others. They could bring in a few foreign experts if necessary for consultation and not for advice. We have had enough of these foreign experts.

The Honourable the Finance Member very often refers to the maintenance of the gold standard in India. What the country really wants is not so much the gold standard but gold currency because a gold standard without a gold currency is simply useless as it is now. You know the present fall of prices in silver. In case a national crisis occurs, people here have only token coins in their hands which are only worth about 8 or 9d. or something like that, though they are supposed to be worth 18d. These are the investments and the assets of the masses. It is good for nothing. So I say what we want is gold currency. Without gold currency, a gold standard is useless. There is one argument urged in this connection; that it may disturb the supply of gold to the world. I do grant that the supply of gold to the world may not be enough to go round. That is a thing for other countries of the world to think over. If you take care of yourself, the others will take care of themselves. We need not worry about the requirements of other countries.

Raj Bahadur Sukhraj Rai (Bhagalpur, Purnea and the Santhal Parganas: Non-Muhammadan): Sir, I rise to take part in the discussion that is going on in the House. At the outset, I must throw unstinted praise on the Honourable the Finance Member on the philosophic courage with which he has presented the Central Budget for the year 1931-32 in this House even when "times are bad". But according to him "The time has not yet come for panic measures or desperate experiments which might land us in unknown complications or endanger the efficiency of the whole machinery of Government". Not to speak of the Government, every class and every section of people in India from the highest down to the poorest are at present faced with a financial crisis the like of which was never witnessed during living memory. If this dismal situation be not handled properly, there will be nothing strange if it becomes still worse. For what is really the financial position of the Central Government as disclosed by the Budget? The revised estimates for the current year show that Government are faced with a total deficit of 14.42 crores of rupees and setting of the sum of 86 lacs of rupees shown as surplus in the final Budget estimates against this loss, the total deficit for the current year works up to 13.56 crores of rupees. The situation is certainly a grave one and the Finance Member is really to be congratulated for keeping his brain cool enough to avoid "panic measures and desperate experiments".

Sir, how has this huge deficit been brought about? Important revenue heads as Customs, Income-tax, and Salt and Opium show a deterioration of 12.10 lakhs. Posts and Telegraphs 89 lakhs, Debt services and Currency, 138 lakhs and other heads 5 lakhs. Of the loss under Customs, cotton piece-goods contribute 345 lakhs and jute 85 lakhs.

From this picture of the financial position of the Government of India at the close of the current year, let me now turn to the ways and means adopted by the Government to meet it. In the Budget for this year, the Finance Member estimated that a loan of 23½ crores in India together with borrowings in London to the extent of £6 millions would enable Government not only to meet the excess of disbursements over receipts but also to reduce the amount of Treasury Bills outstanding in India by 4 crores. At the end of the year, however, he finds that, in spite of a loan of 29.71 crores in India and sterling borrowing amounting to £31 millions, the amount of Treasury Bills outstanding with the public in India will be some thing like 45 crores. The Finance Member estimates the total real deterioration in India at about 64½ crores, and this is how the present year is expected to close.

Sir, the prospects for the next year are gloomier still. Receipts are estimated to be less than the Budget estimates for the current year and the total deterioration is estimated at 18.10 crores. The current year's Budget however provides for a surplus of 86 lakhs. The net deficit for the coming year therefore on the basis of the current year's figures is estimated to be 17.24 crores, the losses on the various items being estimated to be 13.16 crores in tax-revenue, 1.18 crores on commercial departments and 3.76 crores on General Finance headings.

Sir, this deficit is sought to be filled up partly by retrenchment and partly by additional taxation. As regards retrenchment, a total reduction of 175 lakhs is contemplated in military expenditure, and 98 lakhs in various civil expenditures, thus making a total of 273 lakhs. Putting this item against the estimated deficit of 17.24 crores, the figure is reduced to 14.51 crores. This gap is proposed to be filled up by new taxation of 14.82 crores under the heads of Customs and taxes on income. The Customs will bring an additional income of 9.82 crores and the proposed tax on income a net additional revenue of 5 crores. The coming year is thus expected to close with a surplus of 31 lakhs.

Sir, the Finance Member has really made the best of a very bad situation. The increased duties on kerosene oil will affect the poor to some extent but in many cases it is the luxuries such as spirits and wines, cinematograph films, cigars and cigarettes, etc., that have been taxed. Understanding the psychology of the Indian situation, he has proposed giving some measure of protection to indigenous industries such as sugar for instance. So far as the cotton mill industry is concerned, the rise in the income-tax and super-tax has been somewhat mitigated by the surcharge of 5 per cent. on imported cotton piece-goods. It is no wonder therefore that diehards and re-actionaries have been quite upset at this Budget, which they characterise as national or Swadeshi or the Swaraj Budget of India.

Sir, but while I say all this, I cannot shut my eyes to the other side of the picture. It is a pity that the ratio of exchange has not been reduced from 1s. 6d. to 1s. 4d. which was the old rate, due to which India had to suffer a loss of many crores. If the Budget had been truly Indian,

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then the whole deficit would have been wiped out by this item alone without the necessity for further taxation. Again, it has been stated that a Retrenchment Committee will be appointed to reduce the salaries of Government servants to the extent possibly of about 10 per cent. If this Budget had been presented by those who are sitting on the Opposition Benches today, a proposal for a reduction of 50 per cent., in higher salaries would have been put forward, without finding any necessity for increase in taxation.

Sir, if the salaries of high officers in India are the heaviest in the world, the expenses on the Military Department are no less large. Indeed there is no business for an unarmed country like India to bear such lavish expenses on its Army. But this expenditure has been estimated to be most necessary for India, and a reduction of only 175 lakhs is proposed to be made on this head, even in this acute period of financial crisis when in other countries this expenditure has been reduced to half. If the reduced strength in the Army was considered insufficient afterwards for national defence, steps might well be taken later on to increase the strength of the Army. But in this time of world depression, statesmanship requires that the expenses on this head should be the most irreducible minimum.

Sir, the middle classes will also be no less hit by the new Budget. The increase of rate of income-tax will tell severely upon the merchants and traders. Already the business is at a standstill and the effect of increase in rate would be that there will be an end of it.

Sir, but perhaps the worst sufferers would be the rich people who had always prided themselves on being on the side of Government in spite of the gibes and jeers of the rest of their countrymen. They will now be seriously disillusioned. As is well known, they are already finding it difficult to pay revenue and road cess to Government on account of a total suspension of rent from tenants due to the heavy fall in prices of crops. The almost doubling of the rate of their income-tax and the increased taxation on the so-called luxuries which are to them the necessities of life will make it difficult for any rich man to continue to be rich any more. In this respect the Budget may be aptly called a Socialist Budget.

Sir, I hope the Finance Member will yet revise the Budget in the light of these remarks and not disappoint us by clinging to it especially when a truce has been arrived at between the Government and the Congress and conditions have materially changed. Sir, with these words, I resume my seat.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 19th March, 1931.

LEGISLATIVE ASSEMBLY.

Thursday, 19th March, 1931.

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

THE INDIAN FINANCE BILL—contd.

Mr. President: The House will now resume further consideration of the Indian Finance Bill, 1931.

Mr. Muhammad Muazzam Sahib Bahadur (North Madras: Muhammadan): Sir, I do not think I will congratulate the Honourable the Finance Member on his efforts this year. I think that the one source of income which should have been properly tapped is left altogether untapped. He has been attempting to collect revenue from such source as income-tax, petrol, kerosene and others, but I suppose the House will agree with me when I say that the most important item which should have been tapped is that of the Military Department. Force should have been brought to bear on the Military Department to restrict their expenditure by at least 7 or 8 crores this year and, especially in view of the fall in prices of commodities, one would expect that naturally they could have cut down their figure to something like 48 crores. As it is, every year as much as 55 crores is being applied for military expenditure, and the ground alleged is that they have got to pay for the maintenance of an efficient Army composed of as many as 60,000 British troops. It would be conceded that there is danger on the North-West Frontier; but it does not necessarily follow that you should on that account maintain an army of that magnitude. It is either this, that the Englishman in India has an apprehension that he will not be secure in India without an army of that magnitude, or it simply means "Let us have some of our troops in India fattening on the revenues of India." I think the probability is that he has the apprehension that he will not be secure in this country. But I may assure him that during the last 150 years he has been ruling us, the administration has been of a nature which has secured for him a soft corner in every heart. I admit, and I think every one in this House will admit, that the test of a good government is the absolute security of person and property that we find in India today, and which, I venture to say, India never enjoyed in her history. That is the test of good government, and I think we have tranquillity and security of person and property in plenty in this country, and that alone is a factor which I think has endeared this Government to a large extent in the heart of every Indian. If the apprehension in the mind of the Englishman is that he is not secure and that he might have to face a rebellion at any moment, that fear, I say, is groundless, because no one will rise in rebellion; we are not going to rise in rebellion. He must and ought to feel that we are not going to do so. I am glad that from his love of justice and fair play, so innate in the

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Englishman, and by reason of the fact that he has not been administering this country as he ought to do, there is this apprehension lurking in his mind. But I think the sooner he gets rid of that apprehension, the better.

I say, Sir, that the British Army, the British troops that are being maintained in India at the cost of the Indian taxpayer, ought to be reduced to at least one-sixth of the existing number and they must be replaced by Indian units. It is admitted that the cost of an average English soldier is as much as six times that of the Indian, but when we say that the cost of the Military Department should be reduced to at least one-sixth of what it is now, the answer that very readily comes up is, "We are not going to sacrifice efficiency". The Englishman says, "Your proposal certainly implies sacrifice of efficiency and we cannot have that". An answer of that type looks very much like the answer which we sometimes hear from our Hindu brethren when we ask for fair representation of Muslims and other minority communities in the services. The Hindu also says, we ought not to sacrifice efficiency in promoting the interests of minority communities. I do not know to whom the credit for the originality is due, whether it is to our Hindu brethren or to the Englishman for these catchwords of "sacrifice of efficiency". Anyhow, that is how they meet it. Neither the Army, nor the services need sacrifice efficiency. A fair representation of the various communities will never do it. When we come to efficiency, I say why not employ a larger number of Indians in the Army?

Then again, Sir, as I said, this apprehension is lurking in the mind of the Government. They say they want to maintain a force of British troops for the purpose of internal security, and the number of such troops is something like 30,000. I am open to correction, if my figure is wrong. I venture to say that it will be the unanimous opinion of this House that 30,000 British troops are not at all needed for the purpose of internal peace. To my mind, those troops are needed to aid the Government when the necessity arises, as for instance in a riot, but I fail to see how much use they have made of these forces on such occasions. From what I know there have been very few occasions indeed when these British troops were employed, and but for this apprehension in the mind of the Englishman, I do not think the necessity for stationing 30,000 British troops in India for the purpose of internal security arises. As I have said already, let the Englishman cast away from his mind this apprehension, and I think military expenditure will be reduced to something like 25 or 30 crores. The moment the balance of 25 crores is let loose for employment in other departments, then, I think, the Englishman will have achieved his entire purpose in this country and the Indian will owe a debt of gratitude to him of which he may justly be proud.

Another suggestion which I would offer is to impart to the Indian students military training side by side in schools and colleges. If the Englishman had trained an Indian militia for the past five or ten years so that they might join the other troops when occasion arose, this would have meant a further curtailment of the Army expenditure and the Englishman could justly take credit for that. But, as it is, we have been hearing promises made year year, but nothing has been done as yet.

Sir, it is rather providential that we are not having attacks on our sea-coast by other powers; otherwise we would have had to maintain a navy, which would cost as much as another 55 crores, and every year the Finance Member would have to come up to this House for that amount. I say that once something like 30 crores is let loose and that amount is employed for other beneficial purposes, the Finance Member will be in a very happy position and there will not be these deficit Budgets which, I am sure, will continue as long as this military expenditure is kept up at that level of 55 crores. So long as this continues, I do not think we can have anything but deficit Budgets in the years to come and the position will be probably much worse when handled by a new man under the new constitution. That is as regards military expenditure.

Then, as regards Customs, it has occurred to me that the Finance Member has overlooked the taxation of raw hides and skins which are being exported from this country. The point was raised by my Honourable friend Mr. Jamal Muhammad yesterday and by my friend Dr. Ziauddin the day before. I come from Southern India, I come from Madras, and I think that in the matter of exports of hides and skins the Madras Presidency beats all other provinces. We have a number of tanners all round the country, and during the last few years a large proportion of hides and skins has been exported in the raw condition. A duty of 5 per cent. is attached, which means almost nothing. I suppose Government are genuinely anxious to protect home industries, and if the tanning industry is an important industry in Southern India, as it is also in Upper India, in the United Provinces especially, which sends out large quantities of raw hides and skins, I think a duty of as much as 25 per cent. ought to be levied on raw hides and skins exported from this country. These tanneries are financed by Indian capital and they are worked by Indian labour, so that if a protective duty of that type is levied, a very great impetus will be given to these industries, with the result that we will have in those villages, where these tanneries are situated, a set of people looking much more decent than what they do now. And in this connection I would also point out that England will not be a very great loser if this duty of 25 per cent. or something approaching that is levied on raw hides and skins, because I find that among large buyers, America comes first, and France, Germany, Italy and other European countries come next. So that even if we have to look to the interests of England in this matter side by side with India's, it is a very wrong policy not to levy any export duty on our raw hides and skins. The volume of trade in these raw hides and skins is very great, at least in Southern India, where it is the chief industry, and it is, I believe, the third industry in India. So much with regard to raw hides and skins.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Are you sure you can tan all the raw hides and skins in this country?

Mr. Muhammad Muazzam Sahib Bahadur: I think we can. There will be a surplus of something like 5 crores worth of hides and skins which I think can be very well tanned in India.

Then, Sir, the brunt of all these taxes ultimately falls upon the peasant. He is the man who really has got to bear it. If one goes to the villages round about Delhi within a radius of say 5 or 6 miles, he will find that the peasants are in a very poor condition and it is a great pity that

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within a few miles of the Capital there should exist people whose houses are of the most ancient type, dirty little things and themselves clad in very dirty clothes. It is a sight which reminds one of the poverty to which they have been reduced. I think it will add to the fair name of England if, as I said, the military expenditure is cut down to at least half of what it is now and the money thus saved is spent usefully for rural uplift. We have got to see that the peasant in India is well-stationed, well clothed and well cared for.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Mr. President, in the concluding paragraph of his Budget speech the Honourable the Finance Member said that he has tried to measure his needs fairly and to meet them fully. I ventured to remark in my speech during the general discussion of the Budget that from the point of view of the taxpayer it would have been far better if my Honourable friend had attempted to measure the needs fully and meet them fairly. That he has measured the needs fully and perhaps over-fully there can be no doubt, but I have serious doubts in my mind whether in trying to meet his needs he has been fair to the taxpayer. In his forecast of the Budget position for the coming year my Honourable friend is faced with the problem of making good a deficit of 17 crores and 24 lakhs. Naturally, Sir, when the Finance Member is faced with a deficit of this nature, he attempts to make good that deficit by the twin methods of retrenchment and fresh taxation. My complaint is that my Honourable friend has not fully explored the avenues to the first method, that is, the method relating to retrenchment in public expenditure. My Honourable friend, Mr. Jamal Muhammad, gave a very simple proof which appeals to the layman, the man in the street, a proof which goes to show that, in spite of the intricacies disclosed in the figures relating to the Budget, there has not been any retrenchment of public expenditure in this country. My Honourable friend pointed to the very simple fact that the total expenditure of the Government of India in the current year is 135 crores and the total estimated expenditure for the next year is also about the same figure; and from a reading of these figures, he asked a very pertinent question, a question which, as I said, would appeal to the layman, where then is the retrenchment, if you are spending in the coming year the same amount of money that you have been spending in the current year? My Honourable friend in his Budget speech has attempted to show elaborately the various methods by which he had effected retrenchment, both on the civil and military side. He asked us to believe that on the military side he had succeeded in persuading the Army authorities to reduce their requirements for the coming year by 175 lakhs; and he asked us to believe that on the civil side he had effected retrenchment to the extent of 98 lakhs. Even if these two figures can be taken as a proper measure of retrenchment effected on the civil and military side, the position comes to this; that to meet a deficit of 1,724 lakhs my Honourable friend has effected retrenchment to the extent of 273 lakhs and wants the sanction of this House for the imposition of new taxation to the extent of 1,451 lakhs. That position, I submit, is not fair to the taxpayer. Out of a deficit of Rs. 1,724 lakhs, to ask the taxpayer to contribute Rs. 14½ crores and to say that you would retrench only 273 lakhs is not a fair proposition to be placed before the taxpayer.

If one were to analyse this question of retrenchment both on the civil and military side, I would submit that one would find that the retrenchment is more illusory than real. Dealing with the so-called retrenchment in Army expenditure, my Honourable friend, Mr. Ramaswami Mudaliar in a very able and lucid speech pointed out the other day how this so-called retrenchment is more illusory than real. It is not necessary for me, therefore, to go into any detail in my attempt to show how the retrenchment is illusory and not real. I would apply only one test, and that is the test relating to the phenomenal fall in the prices of commodities in the world. The expenditure of the Government of India both on the civil and military side can broadly be classified into two classes,—the first class of expenditure relating to the pay and pension of its servants, and the second class of expenditure relating to the purchase of stores and other materials. I am prepared to take it for granted, for the sake of argument, that the hands of the Finance Member are tied in the matter of dealing with the pay and pension of the public servants, both on the civil and military side. The pay and pensions are not affected by a fall in prices and therefore they remain stationary; but I would ask my Honourable friend whether in the matter of the other class of expenditure incurred in the purchase of stores and other material, the Government of India have fully benefited by what I have called the phenomenal fall in the prices of commodities in the world. If you look at the index figures of wholesale prices in Calcutta you will find that in January 1930 it was 131, and in December 1930 it has fallen to 101. There has thus been a fall of very nearly 20 per cent. in the wholesale price of commodities. I would ask my friend to examine the expenditure of the Government of India from the point of view of whether they have obtained the fullest benefit of this fall in the prices of commodities. I wish that in his very able and lucid Budget speech my Honourable friend had given to this House some indication of a study of the expenditure of the Government of India from this point of view. I am very thankful to my friend for the lucid way in which he attempted to explain the position of the Government with regard to the salaries of public servants and the possible saving to the Government if, for instance, a ten per cent. cut were made in the salaries of all the government servants. I am at one with my Honourable friend in maintaining that under no circumstances can we go back upon our contractual obligations to our public servants. Rightly or wrongly, at a time when commodity prices in the world were ruling very high there was a clamour for the increase of emoluments of the public servants of the country, and as a result of that clamour and in the face of the protest of this side of the House, in those days the emoluments of public servants were increased to rates which we at that time thought were unreasonable and unwarranted. But whatever might be the mistakes of the past, today, so far as the pay of public servants is concerned, we are faced with this situation that the public servants who entered our services have entered that service on a distinct understanding, that they would get a certain amount of pay during the period of that service. I strongly maintain, and here I am whole-heartedly in agreement with my Honourable friend the Finance Member, that we should do nothing to impair the confidence of our public servants in the security of their tenure and their pay. But I would ask my Honourable friend to examine the pay of public servants from another point of view. So far as I have been able to make a cursory study of the items relating to the pay of public servants in the Budget

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grants, I find that in the case of many officers there are allowances over and above the pay that is given to them. I would like my friend to examine these allowances, the necessity for them and the justification or otherwise for retaining these allowances now. It may be that some of these allowances are part of the pay, and to such allowances my dictum will apply that we shall not do anything to touch those. But I submit that if you examine the Budget figures carefully, you will find that there are items relating to allowances which the public servant is not entitled to get by any legal right vested in him. I would submit to my friend the Finance Member that he will not be doing any injustice to the public servants, nor will he violate any contractual obligations, if in the face of the phenomenal fall in commodity prices and the fall in the cost of living, he were to reduce and in many cases abolish these allowances. I would have liked to make a detailed examination on this point. But, Sir, it is not possible even for the most laborious and careful student by a study of the book relating to Demands for Grants to find out what exactly is the nature of the various allowances and what would be the possible saving if these were reduced or cut down.

There is again another sphere in which, without touching the contractual obligations, you can effect retrenchment in the matter of pay. That will lead to the question of reorganisation of certain Departments. It may be that in a certain Department you are paying a man Rs. 3,000 per month; it may be that he is a very eminent man and that he deserves Rs. 3,000. But it may turn out, as the result of an examination and scrutiny of that Department, that to do that particular job you do not want a man drawing Rs. 3,000 a month, but that a man drawing Rs. 1,000 can as well do that job. Now, that is a matter of policy which would require careful examination, a matter which would lead to a reorganisation of the various Departments of the Government of India.

My Honourable friend has made proposals for the appointment of a Retrenchment Committee. We on this side of the House, on hearing his Budget statement, were of opinion that the scope of that Retrenchment Committee as contemplated by my Honourable friend was too restricted and would not lead to any useful results. Since then, Sir, my Honourable friend has placed himself in touch with the representative of the various parties in this House, and I take it that, before the close of this Session, he will bring forward definite proposals for the appointment of a Retrenchment Committee with wider scope and terms of reference. I would invite the Retrenchment Committee that would in course of time be appointed to examine the question of public expenditure from these two points of view that I have attempted to explain, namely, whether the Government of India have got the fullest benefit from the phenomenal fall in the world prices of commodities, and secondly, whether we cannot reorganise our public service in such a way as without breaking our contractual obligations, would enable us to reduce allowances and reorganize Departments with a view to get a cheaper and more efficient service. In this connection, Sir, I was very much interested in seeing in the telegrams this morning that in Great Britain the Prime Minister has announced the appointment of such a Committee, that in New Zealand, after an all-night sitting, the Parliament of that country has passed a measure reducing the salaries of its public servants by 10 per cent. I do not know whether in New Zealand public servants enter service on a contractual basis as they do in India; but in any case the example of New Zealand and how they reduced salaries are

matters which would require a careful examination by the Retrenchment Committee, and it will be the duty of that Committee to apply these principles in the examination of the public expenditure of this country.

Sir, my study of the question of retrenchment leads me to my net conclusion, that my Honourable friend has not effected that amount of retrenchment in public expenditure as this House would expect of him before he came forward with proposals for new taxation amounting to 14½ crores. And what about the new taxation proposals themselves? The main feature of the taxation proposals of my Honourable friend is that he has not attempted to tap any new source of revenue; he has resorted to the simpler method of increasing the rate on the existing sources of revenue. That, I submit, is not the proper way of tackling your sources of revenue when you are faced with a huge deficit like this. The proposals of my Honourable friend relating especially to kerosene oil and income-tax are proposals which we on this side of the House cannot for a moment agree to. (Applause.) Sir, in this connection I shall take this opportunity of drawing the attention of this House to only one or two aspects of the question relating to the proposed increase in the duty on kerosene oil, reserving to a later stage a fuller examination of this question. The position of the duty on kerosene oil is this, that before April 1930, there was an excise duty of one anna per gallon and an import duty of Rs. 0-2-6 per gallon. In his Budget proposals last March, my Honourable friend increased the excise duty to Rs. 0-1-6 and the import duty was reduced to Rs. 0-2-3. I would ask Honourable Members to note that, as matters stand at present, there is a difference between the excise and import duties in favour of the local producer. The excise duty today stands at Rs. 0-1-6 and the import duty at Rs. 0-2-3. Sir, if it is intended that your import duty on kerosene oil is purely a revenue duty and not meant to have the effect of protecting the home industry, then there is no justification for this difference in the margin between the import duty and the excise duty on kerosene oil. Two years back the oil industry of India and Burma applied to the Government of India for protective measures. The question was referred to the Tariff Board, and the Board, after a very careful examination of the whole question, came to the deliberate conclusion that the Indian oil industry did not need protection. In the face of this definite finding of the Tariff Board, I fail to understand the justification for maintaining this margin between the import duty and the excise duty. I thought, Sir, when my Honourable friend was faced with a deficit he would utilise this opportunity to equalise the import and excise duties on kerosene oil. In fact he gave an indication of how his mind was working in this direction in his Budget speech last year. The effect of his Budget proposals last year, as this House would observe, was to reduce the margin as it then existed, and my Honourable friend said on the last occasion this: "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". In reducing the margin, therefore, last year, my Honourable friend, in his own words, was taking only the first step, and I think I am justified in drawing a conclusion from his words that he would take the next and final step at the earliest possible opportunity; I submit, that the opportunity has now arisen. Instead of taking advantage of this opportunity, what does my Honourable friend propose to do? He wants to increase both the excise

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duty as well as the import duty by three-fourths of an anna, which would make the excise Rs. 0-2-3 and the import duty Rs. 0-3-0 per gallon, still leaving a margin of three-fourths of an anna in favour of the local manufacturer. I submit, that in making this proposal it was the duty of my Honourable friend, especially in the light of what he said last year, and more especially in the light of the discussion that took place in this House last year, to tell this House what reasons actuated him in making this proposal. If my Honourable friend wants to stick to his proposal, then we would be forced simply to omit the increase of three-fourths of an anna on the import item. If we did that, it would equalise both the import and excise duties at two annas and three pies. But, then, it will reduce the income of my Honourable friend by Rs. 43 lakhs, because my Honourable friend estimates that this additional duty of three-fourths of an anna in excise will bring in Rs. 52 lakhs and in import will give him Rs. 43 lakhs, thereby giving him Rs. 95 lakhs. If my Honourable friend wants to persist in this proposal, then he would have to forego Rs. 43 lakhs of revenue that he wants. I would like to give a constructive suggestion to my Honourable friend, which will equalise the import and excise duties, but which will not be a serious hardship upon the consumer and at the same time will give sufficient money to my Honourable friend. Unfortunately, according to the Government of India Act, I am precluded from tabling this amendment, and that is the reason why I have not tabled any amendment on the Order Paper. My proposal is this. Equalise both the excise and import duties at $2\frac{1}{2}$ annas, which means that you will put an additional burden of only three pies per gallon on the consumer, instead of nine pies as my Honourable friend attempts to do, and I will respectfully submit to my colleagues that that would not be imposing an undue burden on the consumer. I have not behind me a Secretariat and a Budget Officer to prepare accurately what the effect of my proposal would be, but making a rough calculation, I find that the effect of my proposal will be to give an additional Rs. 70 lakhs on excise and Rs. 15 lakhs on import, thereby giving a total of Rs. 85 lakhs on kerosene oil as against Rs. 95 lakhs for which my Honourable friend has budgeted. I would submit that this is the only way in which this kerosene oil duty can be dealt with. I have thought it necessary to make the suggestion at this stage to my Honourable friend the Finance Member to give him, as he very often gives us, time to think over this matter and tell us definitely what he feels about this when the time comes.

With regard to the question of income-tax, the arguments against it have been so thoroughly discussed on two occasions that I think it would be superfluous for me to go into that question. I would content myself by saying that at a time when industry and trade are seriously hit, at a time when the country is passing through the severest period of economic depression, it would be a most unwise step to increase the rates of income-tax. Sir, this House would be giving a very severe blow indeed to industry and trade if they were to agree to these proposals regarding income-tax. When the proper time comes it will be for us on this side of the House to examine whether any increase on the existing scale is justified, and if so, whether it would be justifiable to impose that amount of additional burden which my Honourable friend wants us to hear. I would leave the question at that.

Before I sit down, I would just like to mention one other subject which is of very great interest apart from the Finance Bill. So many subjects are being discussed on the Finance Bill that I need not offer an apology for saying a few words on the question of, and the need for, the establishment of a Reserve Bank in India. The question of the establishment of a Reserve Bank has engaged public attention for the last five years; it is being thought of and talked of as a safeguard in the Round Table Conference. Well, if the Reserve Bank is to be considered as a safeguard, I would like to have that safeguard in the existing constitution rather than the future constitution. I would suggest to the Government of India not to wait for the revision of the constitution, but to take up the question of the Reserve Bank as early as possible. For one thing, if a Reserve Bank Bill is passed in this House at the earliest possible moment, it will remove one cause of friction and one cause of misunderstanding at the Round Table Conference. If there has been a lot of misapprehension on this matter, it is due to the fact that some of us know very little about the Reserve Bank, and some of those who want the Reserve Bank know too much about it. (Laughter.) I would therefore ask my Honourable friend to consider seriously whether it would not be in the best interests of the country to dispose of this question and to put a Reserve Bank Bill on the Statute-book before the end of this year. I would submit that it won't be a very difficult matter for the Government of India. (Sir Hugh Cocke: "Question.") For one thing, so far as the details relating to the establishment of a Reserve Bank are concerned, we went into the question very thoroughly and very fully in the deliberations of the Joint Committee of both Houses some five years ago, and I would submit to my Honourable friend that, so far as the details are concerned, those provisions would need very little change and alteration. It is common knowledge that the Reserve Bank Bill on the last occasion fell through not on the question of the details of the working of the Bank, but upon the great and fundamental question of control of the Bank. Even on this point there has been a lot of misapprehension. In the Round Table Conference some of the eminent British delegates spoke of establishing a Reserve Bank free from political influence, thereby at least implying that we, the non-official Members on this side of the House, wanted to import political influence in the management of the Reserve Bank. I feel confident in asserting that there is not a single non-official either on this side of the House or outside in the country who wants to import political influences in the working of the Reserve Bank. But be it noted that we want to eschew political influence not merely from the Indian side, but from the British side as well. (Hear, hear.) If the Reserve Bank scheme fell through on the last occasion, it was not because we wanted to import political considerations into it, but because we were filled with genuine apprehension that the British commercial and political influences would get hold of the management of the Reserve Bank. We spent anxious days and nights in the Joint Committee to devise a scheme which would ensure that the control of the Reserve Bank would be in Indian hands. I am sure that no one will dispute the genuine aspiration of the Indian people in this matter. If the time has come when the responsibility for the whole Government of India is to be placed in Indian hands, then, I ask, is it too much to claim that the control over the Reserve Bank should be in Indian hands as well? In fact, I would go further and say that, even

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though I might tolerate the control of the Government of India in foreign hands for some time, I cannot for a moment reconcile myself to the position of placing the Reserve Bank of my country in non-Indian hands. (Hear, hear.) On the last occasion we were not able to arrive at a satisfactory settlement on this point and as a rough and ready method we suggested that the Indian Legislature must elect 4 men on the Board of Directors. I am one of those who subscribed to that Report and that Report probably led the British statesmen to get the wrong impression that the Indian public want to import political considerations into the management of the Reserve Bank. Let me take this opportunity of making my position perfectly clear on this matter. Our position is this. What we aim at is not representation from the Legislature, but some safeguards to ensure that the Reserve Bank of India will be under Indian control. Let my Honourable friend devise some scheme which will ensure this Indian control, and I will assure him an easy passage for the Reserve Bank Bill. I would submit to my Honourable friend that the time has now come to tackle this question of the establishment of a Reserve Bank, and as I ventured to observe, to place the Reserve Bank Bill on the Statute-book before the end of this year.

In the interests of the Government itself, in the interests of the reputation of my Honourable friend, the Finance Member, he ought to establish the Reserve Bank at the earliest possible moment. Sir, year after year in his Budget speech my Honourable friend the Finance Member attempts to give an elaborate apologia of his currency and credit policy. I entirely sympathise with my Honourable friend on each of those occasions, but the real position is this, that even though an angel may be the Finance Member, he cannot satisfy public opinion in the management of currency and exchange and credit policy. I entirely agree with him that some of the measures that he has adopted are just those measures which the currency authority of any country would be forced to adopt in the circumstances in which my Honourable friend is placed, but then I would submit that my Honourable friend the Finance Member and his Department, with all the knowledge and experience they have, cannot accurately study the intricacies of the money market and the credit position of the country in the same way as a Reserve Bank can be trusted to do. That is the whole weakness of the position of my Honourable friend, the Finance Member, when he attempts to give his apologia for his currency and credit policy. Year after year, during the last four or five years, my Honourable friend and his predecessor have been attacked by the Indian commercial community for the policy of the contraction of currency which they have been pursuing. I entirely agree with my Honourable friend that contraction of currency is one of the legitimate methods employed by the currency authorities of any country in the world under certain circumstances, but I would again submit that with all his knowledge and experience, my Honourable friend the Finance Member cannot be trusted to appreciate the position of the money market and the credit position in the country as the Reserve Bank can be expected to do. My Honourable friend in his last Budget speech drew a comparison between the fall in prices of commodities in the world and the contraction of currency that he had made and attempted to prove that the relation between

the two is just what it ought to be. But here is an article in a paper that came to me this morning. It says that, if there has been a fall in the commodity prices of India, there has been this fall of prices throughout the world, and if measures taken to contract currency are justified on the ground of a fall in prices, then every country in the world must have contracted its currency. But what exactly is the position? Some of the most important countries in the world during the last few years, though they were also faced with the problem of a fall in prices, have actually expanded the currency instead of contracting it. In India from March 1926 to December 1930 there has been a contraction of currency to the extent of 20 per cent. of the total volume of currency, whereas during the same period in the United States, which had experienced even a greater tumble down in prices than India, there has been an expansion of currency to the extent of 4 per cent. In Japan there has been an expansion of currency to the extent of 19 per cent., while it is only in the case of Great Britain that there has been a contraction, but that contraction is almost negligible, because it is 0.54 per cent. How is my Honourable friend the Finance Member going to justify his policy of contraction in the face of what has taken place in other countries? This argument, whether my Honourable friend is right or wrong in contracting currency, is one which does not lead us to any satisfactory solution. Month after month and year after year the Finance Department and my Honourable friend maintain that the measures that they take are absolutely necessary in the existing circumstances of the country, and month after month and year after year trade and industry in India are crying that as a result of the undue contraction of the volume of currency, money rates have been made dear and therefore trade and industry suffer. The only solution is a Reserve Bank, and if it is established, the Indian public can trust such an institution to understand and study the various delicate situations that arise from day to day in the money market and the credit position of the world, and adjust the volume of currency to suit the needs of the day. It is only a Reserve Bank that can be trusted to do that and no Government, even though Sir George Schuster is the Finance Member, can be trusted to carry out this policy to the satisfaction of the public. I would therefore suggest to my Honourable friend that in his own interest and in the interest of the Finance Department of the Government of India, irrespective of the future constitutional developments of this country, a Reserve Bank ought to be established at the earliest possible moment. But it might be asked, if a Reserve Bank is to be established, have we got enough gold reserves? If today our gold resources are depleted, if today the want of these gold resources is a serious hindrance to the establishment of a Reserve Bank, I would submit that a part of the blame has to be placed on the shoulders of my Honourable friend the Finance Member. You have only to study the composition of the Paper Currency Reserve during the last two or three years to find out how, week after week, our gold resources have been disappearing from the Paper Currency Reserve. If I were to go into a detailed examination of this question, it would take me into intricate and technical matters. Suffice it to say, that our gold resources are certainly not as they ought to be, but with all that, we have to face the problem of the establishment of a Reserve Bank.

In dealing with the Paper Currency Reserve there is one aspect of the activity of my Honourable friend the Finance Member which has been

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criticised in certain commercial quarters, but for which I do not criticise him. I refer to the sale of silver. The Government of India have been selling their surplus silver on the market ever since the Hilton-Young Commission reported, and they have been seriously criticised for this by some sections of the Indian commercial community. I am not one of those who agree with that point of view. If we are to establish a Reserve Bank and if we are to place our currency on a gold basis, then the sooner we get rid of our surplus silver the better it will be. Not only that. I would go further and say that one great obstacle in the way of our going on to a gold standard and the establishment of a Reserve Bank is the enormous volume of silver rupees in circulation, which means that the Reserve Bank must undertake the liability of redemption in gold of these silver rupees. That problem can be faced in only one way, and that is by disposing of the surplus stock of silver in the Government of India treasuries. In this matter, if there has been some amount of criticism on the part of the public, it is due to the fact that the Government of India have not given details relating to their sales of silver and how those sales compare with the annual output of silver in the world. There are those who have maintained seriously that this tumbling down of silver prices in the world is due to the Government of India placing their surplus on the market. As a result of the study of an article by Mr. Findlay Shirras in the *Times of India* some time ago, I find that though the action

12 Noon. of the Government of India, in placing their surplus silver on the market, has certainly contributed to the lowering of the price of silver, it is certainly not the prime factor in the fall in the price of silver. (Hear, hear.) The Report of the Controller of the Currency, Sir, gives every year the total quantity of the Government of India's silver reserves, but I would suggest to my Honourable friend to ask him to give in his Report statistics showing the various sources from which silver has been placed on the markets of the world every year. I have not got the exact figures, but I find that, from the date of the Hilton-Young Currency Commission's Report to the end of February, 1930, the total quantity of silver placed by the Government of India on the world's markets, was only 67·8 million ounces, whereas within three or four months of the year 1930, the Government of Indo-China itself placed on the markets 50 million ounces of silver. Within a few months the Government of Indo-China, Sir, placed 50 million ounces on the market, whereas the Government of India in the course of five years placed only 67 million ounces of silver on the market. Apart from that, Sir, here is a diagram which gives the world supply of silver in the year 1929, and from this diagram I see that it is the Mexico mines and those of the United States of America that are responsible for all this quantity of silver in the world's market, and that the total quantity of silver placed on the market by the Government of India in the year 1929 is probably less than 15 or 20 per cent. of the total volume placed on the market by these countries. That, Sir, would show that the Government of India are not after all responsible for the tumbling down of the price of silver in the world. But I say that if the public do not judge the situation properly and level what sometimes is an unfair criticism against the action of the Government of India, it is because my Honourable friend, the Finance Member, and the Controller of the Currency have not given all the relevant facts and figures on which the public can come to a proper judgment on this point. Sir,

my Honourable friend, in his last year's speech, gave an indication of some international co-operation in the matter of regulating the price of silver. So far, nothing has materialised. But I would ask my Honourable friend to be careful and watchful of the interests of India in this matter if and when such international co-operation materialises. I have no doubt that my Honourable friend would very jealously guard the interests of India in this matter, but my apprehensions have been seriously aroused by what I read in a telegram some time back, and this is the telegram:

"In connection with the Senate inquiry into the causes of the decline of American trade with China, Mr. Pittman, the Chairman of the Sub-Committee, pointed out that it was the result of a similar drop in the value of silver and in China's purchasing power. He hoped that Britain would stop the release of silver bullion from India. He considered that silver would revert to its normal price if sales were suspended for three years. It was merely"—says this great senator of America—"a matter of persuading Britain that the establishment of a gold standard in India was an impossibility."

Sir, America wants us to learn through Great Britain that the establishment of a gold standard in India is an impossibility, and therefore it advises us, through Great Britain, that the Government of India must be asked to stop their sales of silver. I am sure that if our Indian critics realised fully the implications of the silver position, they would not merely support the Government of India in their policy relating to the sale of silver, but would urge upon the Government the necessity of getting rid of their surplus silver stocks at as early a date as possible. In this connection, Sir, I would like to offer my Honourable friend a suggestion which has already been made to him in certain quarters. When the time for this international action arises, and if America wants that we should not place our surplus silver on the market, my Honourable friend should ask the Federal Reserve Bank of America to give us a gold loan against our silver, and that would be one of the means by which we can replenish our gold resources and thereby hasten the day for the establishment of a Reserve Bank. I hope, Sir, my Honourable friend, the Finance Member, will keep this suggestion which has been already made to him in mind and see that if the Government of India become a party to international action in this matter, we should secure a gold loan from America in consideration of our stopping the sales of silver for some time. These, Sir, are some of the matters which I thought it would be worth while for me to draw the attention of this House to at this stage of the consideration of the Finance Bill. I know, as I said, that the discussion on the Finance Bill by immemorial custom has ranged over a wide variety of topics, but I will not exercise that right. (Hear, hear.) I would, therefore, Sir, conclude my speech with these remarks. (Loud Applause.)

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Sir, the House has listened with the greatest interest to the able speech which has just been delivered. I do not wish to traverse the same ground. I wish to confine myself in the remarks I have to offer to the House to the question mainly of retrenchment. Sir, we are faced with the reality of a huge deficit of 14½ crores. Whether there has been in fact any real retrenchment or not, the fact remains that there is this big deficit; and the problem with which we are faced now is how to make it up, how to fill this gap. There are two methods; one is retrenchment, and the other is taxation. The Honourable the Finance Member has told us that

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it is not possible to find any money by retrenchment of expenditure and that, therefore, we must support his Finance Bill, by which he wishes to raise 14½ crores. We on this side of the House are not at all satisfied, Sir, that there is really no room for retrenchment. Not only that, we are convinced that there is considerable room for retrenchment (Hear, hear) both on the military and on the civil sides—more perhaps on the military than on the civil side. Sir, His Excellency the Viceroy in another place said that taxation should be as light as circumstances permit, easy of collection, and certainly proportionate to the means of the tax-payer today. I am sure that that advice his own Government will take to heart, and it is in that light, Sir, we shall address ourselves to the Finance Bill. We all know, the fact cannot be denied, that India is the poorest of all countries; the means of livelihood of the masses are so narrow that they have hardly any margin, whatever left, not to say of ordinary comforts which people in other countries enjoy. Therefore, any further taxation in this country would mean encroaching upon the means of barest subsistence of the people. We have the other fact, a very glaring fact, that the military expenditure of India, compared with the income of the people and the expenditure on the civil side, is extremely disproportionate. More than half of the revenue is spent on defence. We, on this side of the House, feel very grave difficulties indeed in making positive suggestions in what directions the military expenditure can be cut to any substantial extent. The Military Department is a sealed book to the people of India. We know nothing about the administration of the Military Department; we are not allowed to look into it at all. A very small item of military expenditure is placed before us for voting. Similarly on the civil side, though to a less extent, a great proportion of the Demands are non-votable. Therefore, our difficulty in making substantial cuts is very great. Substantial cuts if made by this House would be more or less of an irresponsible character. To this difficulty another difficulty is added by the way this Budget and the Finance Bill are presented to the House. Sufficient time is not given to us to consider the proposals of the Budget in any detail. We have, therefore, very little opportunity to deal with the details of the expenditure and it was that reason which actuated us not to make any substantial deductions. That was the reason and the only reason why we refrained from making substantial cuts. The other day, when the Budget Demands were granted, some of the Honourable Members on the Treasury Benches smiled, giving the House the impression that we have put ourselves in a sort of dilemma. Nothing of the kind. We made our position absolutely clear from the beginning. There can be no misunderstanding on that point, namely, that because we have passed the Demands, therefore, we are precluded from interfering with the Finance Bill. If that were so, we would have made very large cuts indeed in the Budget. That position must be clearly understood. Therefore, as we made it clear, we are going to deal with the Finance Bill properly. Let us see for a moment—though we are all ignorant about military matters, and that is always flung at our faces—let us see whether really there is no possibility of reduction in the military expenditure. Defence, and what is necessary for the purpose of defence, must be judged and must be ascertained with relation to the position of India and the people and the nations outside. Looking at the Military Budget, any one would think that India is in constant danger of invasion from outside forces. Who

are those neighbours of whom we are so much afraid? Afghanistan? Really, does any one believe for one moment that Afghanistan is in a position or willing or wants to make any invasion on India? We are always referred to past history. We are told, look at the Khyber Pass. But the Khyber Pass today has not the same significance as it had in the days of Alexander the Great, or Muhammad of Ghazni or Babar. We know that India, as a matter of fact, stands in no danger of invasion from Afghanistan or Persia or Nepal for the matter of that, or the great China. At one time we were always frightened and I believe the Indian babies used to be frightened by the talk of the Russian bogey and Czarist Russia. I have not the least fear in that direction. Czarist Russia is no more in existence, and I, for one, would require a great deal of convincing that the Soviet Russia has got any designs upon India. We, Asiatics, generally speaking are not like the modern European nations. The European nations are always ready to fight and destroy each other. That has not been the spirit of Asiatic nations of the East after the mediæval ages. (Hear, hear.) So far as that is concerned, we are far advanced far more advanced than the people of Europe. In Europe the nations have to be always armed, lest any excuse might be found to bring about a war. Is that really the case in India? Is it really necessary for us that we should be always armed to the teeth against possible invasions?

Then, Sir, a great deal is made of the frontier raids. When I came here, I made enquiries of a number of friends, especially those who live in the North-West Frontier Province. All that I could get was that there were raids. No doubt we call them raids, but it is not anything which by any stretch of imagination could be called or could be said to be a danger to the safety of India. Some people's property may be looted by a band of men consisting perhaps of ten or 30 men well armed, or some man might be caught hold of by these rebels and held to ransom so that they can get money from their relatives. For that purpose, surely, it is not necessary to have a huge standing army. Nowadays, especially when you have got an air force, there is not much need for a large army. It is considered even by military authorities, as one reads in the newspapers,—and I think my Honourable friend Mr. Arthur Moore also pointed it out the other day—that when you have an air force as a substantial addition to the armies, it should be possible to reduce correspondingly some of the other arms. I find that for the Air Force I think something like 3 crores of rupees have been budgeted. Do you find any indication that any reduction in any of the other arms is thought of? Not long ago so far as Mesopotamia was concerned, we read in the newspapers that the British Government proposed to withdraw the garrison from there and substitute it by air arms, and they thought that their interests there would be sufficiently guarded and effectively guarded by the air arms and at much less cost. Is not that a consideration which the military authorities might well be asked to take into account? We are well aware that the military authorities are all experts; and even in the civil Departments the most difficult thing for any administrator is to deal with experts. They can always say that a certain thing will not do and it is very difficult to argue with them. It is a natural tendency, especially for the military, to perfect their organisations as much as possible. There is indeed no limit to it, but some limit has to be found. One is, what are the dangers against which we have got to guard ourselves, and the other is, what are the resources of the

[Sir Abdur Rahim.] people. They have to take these matters into consideration. There is another special difficulty in this connection, of which I am fully conscious, and that is that the British troops are controlled by the Committee of Imperial Defence in London. But whatever that may be, whoever may be the ultimate controlling authority, we are entitled to point out, this is the limit of our resources and we cannot pay any more without undergoing the greatest hardships". It is indeed for the Committee of Imperial Defence to decide; but I am sure that in coming to a decision they will listen to the advice of Their Excellencies the Viceroy and the Commander-in-Chief. These high officials are well aware of the financial condition of the country, and we will have to appeal to them to impress upon the Committee of Imperial Defence that it is necessary, in the broader interests of the country, that the expenditure should be considerably reduced. That, Sir, is all that we can do in this matter.

As regards the civil side, many of us have had experience of the civil administration and know the ins and outs of it; and no one can really deny that there is also room on that side for considerable retrenchment. I am sure there is no Member on this side of the House who would make irresponsible suggestions which would in any way impair the efficiency of the administration. I for one am always conscious that the British in India have conferred a great boon on the people by establishing a systematic administration in the country and by eliminating corruption from public life to a very substantial extent, if not altogether. I for one am prepared to pay this high tribute to the members of the Civil Service; but at the same time we are all aware and we are very much impressed with the fact that as time has gone on there has been a growth in the civil administration which might well be pruned in certain directions. Several instances have been cited in the course of the discussion, and I will just mention one. We know that we maintain a large establishment in the India Office and the expenditure there is by no means despicable; and we have now established also a High Commissioner who has also a very large full-fledged staff. Now, the High Commissioner is supposed to have taken over some of the functions of the India Office. Has there been then any reduction in the expenditure of the India Office worth speaking? We have given a magnificent house to the High Commissioner and his staff. I have not seen it, but I am told that it is very inartistic and I can quite believe it. I know what some of their architectural productions are. We have therefore the High Commissioner with his expensive staff side by side with India Office. Now we are going to have radical changes in the constitution, and I ask, is it really necessary to wait for the change in the constitution, in order to effect a reduction in the India Office? It is well known, it is no secret to any one that there are several members of the India Office who have very little work indeed given to them. Is it necessary to keep up all this staff there? That is in fact really what has been going on throughout the administration. Take for instance the district administration. We know that a Decentralisation Commission was instituted some time ago and one of the results that was expected was that the expenditure on the ordinary administration would be substantially reduced if we promoted local administrative bodies like district boards, local boards and municipalities; but what has been the result? All these additions have been made, but the administrative staff remains the same or rather has gone

on increasing both in the Secretariat and in the districts. Now, one thing which is very noticeable in the present Indian administrative arrangements is this: we have got a sort of layer upon layer of supervising staff, and by that very means work is multiplied and necessarily also the expenditure. One other great evil of this system is that the sense of responsibility is lost somewhere. In the provinces, for instance, a persistent cry has been going on for some time, at least in Bengal, for the abolition of Commissioners.

An Honourable Member: In Bihar too.

Sir Abdur Rahim: And in Bihar also, which stands really on the same footing. But no heed has yet been paid to it. The Collector is the centre of district administration. He is a highly paid official and yet you must have some one to supervise his work; he cannot deal direct with the Government. I have never been able to understand the reason.

An Honourable Member: They have no Commissioners in Madras.

Sir Abdur Rahim: There are other provinces, for instance, Madras, where they have no such intermediary. There is one Board of Revenue and that deals directly with the collectors as regards revenue matters. That is why I give that as an instance. Now, in the Secretariat—I speak from experience of a Provincial Government. They are really over-staffed. We have got clerks, very good clerks and assistants who know their business thoroughly well. But that is not sufficient. We have Assistant Secretaries, Deputy Secretaries, Under Secretaries, Joint Secretaries and Secretaries. This machinery is really so complicated that it becomes very difficult to know on whom to rely. The work is multiplied and the expenditure is increased. Mention has been made of allowances; and latterly the leave allowances have been made so generous that it is as a matter of fact more paying to an officer to go on leave than to work in his office. Surely there is considerable room for economy in all these matters.

As regards salaries, I think there can be no doubt, as Mr. Shanmukham Chetty has very forcibly pointed out, that contractual obligations of the Government, whether towards those who are recruited in England or those recruited in India, must be respected. There can be no two opinions about that. In some cases there are express written contracts or covenants; in the case of others there is no such written contract perhaps, but it must be taken that there is an implied contract that, except for misbehaviour, an officer once appointed must continue to hold office and to draw the salary on which he was appointed. So far there can be no doubt. Furthermore, I must warn those who may have to consider the question of retrenchment, that as regards reduction of salaries, there is a point beyond which they ought not to go. We can never be too careful that we do not pay our officers salaries which are not sufficient to supply them with reasonable comforts of life and to assure them against privation or want. That is the proper standard which has been adopted by the authorities.

So far as reduction of salary is concerned, that is one general principle which has to be borne in mind; and so far as European recruits are concerned, as my Honourable friend, Dr. Ziauddin, pointed out the other day, they have to be given sufficient pay and emoluments to attract the best kind of recruits. In this respect, Indian opinion is quite clear and so long as we have to import recruits to services from Europe—and we will have to do it at least for some time to come—we have to be prepared to pay

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them sufficient wages. I therefore only want to point out that on the question of retrenchment the principle on which the salary is to be based must be carefully borne in mind.

As regards the different provisions of the Finance Bill, on the question of taxation of income, opinion is unanimous on this side of the House that the income-tax, as it is, is very high and cannot properly be made any higher. Some of us would be prepared to consider whether a very moderate increase is possible or not. But the increase proposed by the Government is of a character which none of us will countenance. As regards the case of import and excise duties on kerosene oil, the principle we are going to adopt is that the duty should be so regulated as not to cause any hardship to the poor; and the same principle we are going to adopt, if there is to be any increase at all in the income-tax, that the incidence of the tax falls less heavily on the people with the lesser income.

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, we have now come to closer grips with the Finance Bill. The Honourable the Finance Member's proposal by means of this Finance Bill is to add about 15 crores of additional taxation, he having had the advantage of raising last year 5 crores of taxation. So, what is it we are asked to face? We are asked to take up, by the Honourable the Finance Member on behalf of the Government of India, the responsibility in the course of two years for an additional burden of nearly 20 crores.

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): More than that, Sir. Last year the new taxes . . .

Mr. President: Order, order. Let the Honourable Member proceed.

Mr. C. C. Biswas: Last year the additional taxes gave the Finance Member much more than he had anticipated.

Diwan Bahadur T. Rangachariar: That is rather a question of minor importance, if my Honourable friend will permit me to say so, if you look at the net result. Now, Sir, if the Honourable the Finance Member were in our position, if the Honourable Sir George Schuster were representing the public of India in this House, would he consent to such additional taxation? I put him this question direct. Would he go before the Round Table Conference and accuse us of a sense of irresponsibility and tell us, "Look at these gentlemen; I told them this taxation was necessary to fill up the gap; they won't fill up the gap; they refuse me supplies; this is the sort of people to whom you are going to transfer responsibility." Sir, we wish to justify ourselves before the world, if not before the Finance Member in refusing supplies to the extent we propose to do. Sir, I may take him into my confidence as regards the attitude at any rate which my party is going to take. We are going to refuse supplies to the extent of nearly 6 crores. (Hear, hear.) How we propose to do that is a matter of detail which I will come to later on. We do consider and agree with him that, as a temporary measure, having regard to the conditions through which the country has passed, it will be necessary on our part to share the responsibility with the Government of India,

although we are not responsible for all their sins of omission and commission, but still, they being the Government as they are now by law established, we have to submit to them, and therefore we think reasonably that to the extent of about 9 crores or less than 9 crores we may have to fill the gap by additional taxation. We do think, Sir, that the rest of it should be found by retrenchment. I am not going to labour the point in great detail. After all, our proposal, if the Honourable the Finance Member will examine it, comes to between 4 and 5 per cent. of the entire expenditure, excluding expenditure on the Railways. Our net expenditure is about 135 crores, 4 per cent. out of 135 crores, if he cuts off from the various Departments of which the Government of India are composed, including the military, will not be a heavy burden to take on. Only there is the will wanting on the part of the Government of India. That is the way we read the situation. We want to force that will to come into play. But if notwithstanding this appeal on the part of the non-official Benches, the Government of India persist in imposing this additional burden upon the people of India, the responsibility shall not be ours. They will have to take the whole responsibility on their shoulders.

Sir, we have listened for the last three days to the long and heavy budget of grievances of the people of the land. They are either genuine grievances or what my friends believe to be genuine. I refute the statement made by one Honourable Member yesterday that the grievances which have been put forward are only imaginary. They are believed to be genuine or they are genuine grievances that have been put forward.

Now, Sir, my direct attack on the Government of India is this. They seem to treat this Assembly as a necessary evil. They want to use it as much as the law requires that we should be used. In other respects, where the law does not compel them to consult us, they treat us in a very step-motherly fashion. Distrust, suspicion and no desire to take us into confidence on various matters, refusing to place materials which are needed for our understanding and our discharging our duties here on the spot are some of the things which make us think that they are treating us in a step-motherly fashion. If the Government supply us with materials at all, they supply them in such huge bulk and at such short notice that they are worse than useless, because we get them at a time when we are busy with all sorts of work; we are supplied with lots of materials at such short notice that we have no time either to read or digest the matter placed before us. Sir, I will mention one instance to show how a grave error has been allowed to pass without one word of comment. I heard a very interesting story as to how the finances of India are managed by our paternal trustee-Government. In 1918 there was a shipment of timber sent to a place called Salonika. I forget my geography,—I do not know where it is. (An Honourable Member: "It is in Greece"). By the time the shipment reached that place the armistice had been declared and the timber was not required there. So it was diverted to London to be sold there by our agent—I think he was one Mr. Howard or somebody. That Agent kept this shipment of timber for two years and yet could not find a sale for it. I think the timber was worth more than £20,000 or £30,000, I forget the exact figure. Well, the London agents said that they could not find a market for this consignment of timber, and so they were advised by the Government of India to sell it for any price they could get. Consequently

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the London agents themselves bought it, I think, for £5,000. Then somebody discovered some use for it and said that the timber was required, or at least a portion of it was required, for the exhibition. Then it was suggested that we should re-buy the whole lot, and I think the whole lot of timber was re-purchased for some considerably higher amount than the price for which it had been sold. Then they found there was no use of the exhibition, and therefore the whole lot of timber was kept with our agents. It remained with them until I think their agency was about to come to a close, I believe, in 1926. The London agents could not sell it, and so they asked the Government of India what they should do with it, or if they could sell it for £5,000. The Government of India agreed with the proposal, and so the whole lot of timber worth about £20,000 was sold for £5,000! The amount was kept in suspense, about a lakh and odd for years together; it was not shown in the accounts at all, and quietly, Sir, it was introduced in the Supplementary Demands at the very first sitting of the Finance Committee of this House, which was constituted on the 23rd of January and it was introduced here as a Supplementary Demand without one word of comment. It was passed by this House without finding out who was responsible for this colossal waste and blunder, or how it happened. More than £20,000 worth of timber was lying in the London market for a long time, and then it had to be sold and purchased, again it had to be re-sold and re-purchased which only resulted in a huge loss. Somebody ought to be held responsible for it. It is the officers who are in charge of our finances who are responsible for our poor financial condition. I am only mentioning this to show that very little time is given to us to examine these questions carefully. So that, my complaint against every Department of the Government of India is this, that they do not treat us properly at all.

I will now take, Sir, the Commerce Department. Unfortunately the Leader of the House is not here. Anyhow, I will take the Commerce Department first. What is it that we should like to have information upon? They are matters eminently within the knowledge of these gentlemen who are in charge of our affairs. My Honourable friend Mr. Jamal Muhammad Saib has been agitating for increasing the export duty on hides and skins. Either he has a sound proposition, or he has not. I am not an authority on that subject. I know this much that the tanning industry in Madras is an indigenous industry in which many hundreds of Mussalman families are interested. That industry has grown to be a popular one down in the South, and I believe it was so in upper India. We have got some natural products down there in the South, like *avaram* bark, which enable us to produce nice tanning, and that is how this tanning industry has grown in importance. We know also that the scientific processes of the West are far superior to ours, and they are able to produce in large quantities and thus compete very easily with us. So, America is interested in that. America wants only our raw hides just as every other country wants our raw products so that they can manufacture them and send them back to this country and sell them at a hundredfold price. They want only our raw hides and skins; they do not want our tanned skins. They want to protect themselves, and they have, as my Honourable friend, Mr. Jamal Muhammad Saib has said, put on an extra

duty of 10 per cent. on tanned hides and tanned skins, if I am correct in my information. Years ago when I was here, we put on an export duty of 15 per cent. on raw hides and raw skins. That was reduced in the year 1925-26 to 5 per cent. What was the necessity which induced us to put on this 15 per cent., and what was the necessity for reducing it, when America had put on this extra duty of 10 per cent. so as to make our five per cent. absolutely useless and make it a disadvantage to the tanner in this country? What is it that the Government have done or propose to do? Have they given us any account of their examination of this question? It is a vital question. Nobody can deny that it is a key industry. We want, if possible, to encourage the tanning industry in this country so that we may produce all the leather which is needed for the millions of people who use shoes and other things in this country. Is the tanning industry a key industry? Does it deserve to be protected? Is there any unreasonable competition from countries who are interested in tanning? These are matters in which one would have liked the Honourable the Commerce Member to interest himself and present us with an epitome of information on the subject. But, Sir, they do not do it. I wish to impress upon the Honourable Members of Government that each Department will do well, before the Assembly meets in January or December, to have a memorandum presented to us of its activities. You want our confidence; you want our vote in order to increase the taxation of the people. Then, why should you not give us information about the activities of each Department? On the other hand, what happens? After we have all left, when the information is not at all of any use, there comes "India in 1929-30" or we will have "India in 1930-31" offering criticisms of the way in which the Assembly discharged its duties. We do not want such a Report. We want concise, condensed reports and statistics giving us valuable information; we want a condensed account of the activities of each Department for the year so that we may just judge them fairly. You may say, "We are working night and day; we are working sixteen hours by day and sixteen hours by night." (Laughter.) That may be true, but we want evidence of that, before you can ask us to furnish you with the necessary funds to carry on. We are kept in the dark. People in London come to know of things which happen in India, much sooner than we do. The very first information we have—I suppose, probably my friends in the European Group are in a better position in that respect, but I am not quite sure. For instance, the other day, I saw that the Premier had announced in the House of Commons with a great sense of pride that some roads had been constructed somewhere of great value, and all that was done so secretly and so quickly that he claimed credit for the people who did it. The people of India who are interested in these things know so little about them. I have heard so much about the activities, or rather the misconduct or rebellious conduct of a regiment known as the Garhwali Regiment. We get only allusions to this in various ways, but up in London, they seem to know things much better. I find that immediately thereafter questions were asked in the House of Commons, when the whole country here was in the dark. The House of Commons somehow or other come to know of it and they put questions there. How is it that the people of this country, at any rate, we who belong to the Legislature, how is it that we are neglected in these matters? It is not only in this matter; I can give you hundred and one.

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if not a thousand and one instances, in which we were neglected. My accusation against the Government of India is this. You think, "The Statute requires us to consult you so far. Beyond that, we will not do it. We will consult you with insufficient materials; we will keep you in the dark. Vote as you like. Vote in the dark as you like, or vote according to our mandate". Sir, we refuse to be a party to that sort of thing.

Take this question of kerosene oil, on which my Honourable friend Mr. Shanmukham Chetty has made a constructive suggestion today. Not that I have accepted it all at once; it is only a suggestion. I see some difficulties in accepting that suggestion; it requires to be examined. What is this excise duty on indigenous oil and the import duty on foreign oil? I am not either an importer or an exporter; I do not know anything about it. But I know this, that the poor people use what is known as yellow oil, and I understand that there is really no competition from the foreign market in yellow oil. The whole of the yellow kerosene is produced in this country. And why should it not be secured to the people of the country at a little over the cost price, giving a reasonable profit to my Honourable friend Mr. Heathcote and his company? I will put my questions straight to Mr. Heathcote. Why does he enter into this pool, or what is called some arrangement with some foreign companies, and keep up the price of yellow oil, which had a margin of difference of Rs. 1-6-0, and now the difference is reduced only to eight annas? Will he undertake on behalf of his company to restore the difference between the yellow oil and the white oil at least by one rupee? Then, I can understand, it does not matter whether it is a foreign company, or white men running an indigenous business, and all that. I do not think all those things will count; but no doubt, there is some sort of prejudice against that company, and I find from the discussions of last year that they made a huge profit of 30 per cent. or something like that, or their bonus was nearly four times the value of their original paid up capital, and all that. My object, and I dare say that my Honourable friend Mr. Chetty will agree with me in that object, as my Honourable friend Sir Abdur Rahim has told us,—is that we want to benefit the poor. And which is the best way of benefiting the poor? The proposal of my Honourable friend Mr. Chetty will not benefit the poor; on the other hand, it will increase the burden as much as the Government propose to do. But that is not benefiting. You increase the excise duty by three pies. My Honourable friend Mr. Heathcote will say, "You have increased the excise duty from one anna six pies to two annas three pies or two annas six pies, and therefore the price of yellow oil will go up. I will be justified in putting up the price of yellow oil". We want to reduce the price of yellow oil, which I think the B. O. C. can well afford to do but for this understanding, this mischievous understanding with some other foreign companies. Therefore, if there is some way of enabling the Government to keep the excise duty as it is and increase the import duty, on the understanding that the price of yellow oil will be reduced so as to benefit the poor, that will be a more preferable course to adopt than the one suggested by my Honourable friend Mr. Chetty. These are matters on which we want the assistance of the Commerce Department. They are in a better position than ourselves. They know exactly the quantity exported and the quantity imported, they know also the quantity of output

in the indigenous companies, and what other indigenous companies there are, and how this proposal will affect them. All this we do not have, and we will have to vote in the dark. We have to be informed; lawyers like me, and possibly people in other walks of life may not have expert knowledge on this subject. For instance, my Honourable friend Sir Cowasji Jehangir who is a merchant,—probably he is interested in cotton mills, I do not know; he may not know anything about oil. We want information to be placed before us. Such information should be placed before us before we meet. Again, take the question of wheat. I am glad to see from the newspapers, and I think it is also on the agenda for tomorrow, that some Bill will be brought forward giving temporary protection for wheat. This is a matter which ought to have been examined and I am glad such a proposal is coming forward.

So also in the case of the Home Department. I am sorry the Home Member is not here, because I am going to say severe things against that Department. I am not making my statements with a view to accuse them for the past. I want them to learn the lessons of the past. I thought they had learnt the lessons of 1919 and 1920. I want them to realise the great harm which is done to the country and to the relations between the Government and the people by the adoption of what I may call the Dyer methods of terrorism. It will not do to adopt terroristic methods to put down reasonable agitation or even unreasonable agitation. I will take the civil disobedience movement as an unreasonable agitation. As the Government, you owe a sense of responsibility to the people, and my charge against the Government is that they have been looking askance at the excesses committed by the police. Take the Magistrates. A Magistrate in Guntur passed an order under section 144 prohibiting the use of Gandhi caps. A more foolish and silly order I cannot conceive of. It was brought to the notice of the Government. It was brought to the notice of the Home Department of the Government of India. They simply kept quiet and saw how the order worked. Some people had got to go to the High Court to get that order set aside. They gave the Advocate General to defend it. The High Court set aside the order, and the Magistrate got a C.I.E. for abusing the section and passing that foolish and silly order under section 144. This is the way in which you discourage the abuse of the law! Then the national flag was hoisted on the tops of some bazaars in Rajahmundry or Cocanada. What is the ground on which the Magistrate passed an order? He said that some rowdies and persons addicted to violence might take offence at seeing the national flag flying on the top of the building, and there might be a breach of the peace, and therefore the flag must be pulled down. You prevent what is lawful, because rowdies are going to object to it. These are exactly the terms of the order. The High Court saw what a silly order this was, and set it aside. Instead of smoothing matters, these orders are likely to increase the bitterness of the people. What does that Magistrate do? He does not care for the judicial officers. That man gets a C.I.E. whereas a man who so behaves that everything is quiet in his district, gets nothing. The man who is statesmanlike in his manner, gives the people latitude and sees that there is no trouble—that man does not get a C.I.E. or C.S.I. You encourage the man who invites trouble, who is the strong man. This sort of mentality will not do. In the Punjab also the High Court has set aside some orders wrongly made. You encourage the officers

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who abuse and misuse the law and reward them for their excesses. If you want the people to respect the laws, you must first make your Magistrates respect the laws. I do not want an inquiry to be made into the past. I am so glad that Mahatma Gandhi has waived his claim for an inquiry into police excesses, but I want the Government to learn a lesson. I have not yet forgotten Sir William Vincent telling me to forget and forgive the past, with regard to the Amritsar tragedy, the Jallianwala Bagh affair and other things. He asked me to withdraw the motions of which I had given notice and I yielded. Having learnt a lesson, I ask you not to repeat your terrorism. That will never pay. I think if you resort to it, you will only be inviting more trouble. It may have a temporary effect, but the lasting effect will be against you. I say it with all the earnestness that I can command, that for every man beaten with a *lathi* there will be at least a 100 who will sympathise with him—not only men but women of respectable families, like the grand daughter of Sir T. Madhava Rao, a very distinguished Indian statesman of high standing. They come forward and say "Beat me". That is the spirit which has been raised among the people. That is due I say deliberately to the way in which the authorities have behaved and the law has been abused. I am not here for reproach or recrimination. I am here to appeal to the Government of India to take the lesson to heart.

Then I come to the question of Indianisation. The Home Member might have taken us into his confidence and told us what progress was being made with this question of Indianisation, in which we are all so much interested. Why should not each Department come forward and give a small account of what has been done. I do not want Muhammadanisation, or Hinduisation or Christianisation. We want figures as regards Indianisation. This information we have got to wring out from you by means of questions. If you supply us with this information, much of the trouble will be avoided.

I now turn to my Honourable friend the Finance Member. In his closing Budget speech, referring to me, he said, "My Honourable friend is somewhat unfair in his remarks. As regards the study of economic conditions in its wider sense, it does not fall directly within the scope of my own duties". Then does it fall within the scope of my Honourable friend the Commerce Member or the Member for Education, Health and Lands or the Member for Industries and Labour? It falls on nobody. That is the unfortunate part. Then without that knowledge, how can you adjust your taxation proposals without a knowledge of the earning capacity of the individual and the family, how much he earns, how much he spends and how much you should take up for your taxation purposes. I do not want accurate mathematical calculations, but some approximate calculation which would enable the Government of India to frame their taxation proposals. Now what is their proposal? Their proposal is to increase the tax payable by the lower-grade income-tax assessees. Sir, as has been very ably pointed out by my friend, Mr. Heathcote, that shows how ignorant they are of the conditions of these people earning salaries under Rs. 5,000. They are thoroughly ignorant of their standard of living, of their requirements. That is the difficulty. We have got model villages, model families. Take them. We do not want perfect accuracy, but let them take these into account before they bring forward their taxation

proposals. Sir, this sort of ignorance ought not to be allowed. Let somebody gather the information, and utilize it not only for your own information, but for our use. Sir, we who live with the people know their condition best. We know that these people cannot bear the burden of additional taxation which you want to impose on them,—and you laugh at it; you think we are only people looking for public appreciation or for the cheap popularity of the people, and in that way you discount us. But what do you do? You work upon guesses which are favourable to the assumption on which you proceed. That sort of thing ought not to be allowed to proceed; I shall make one statement publicly. The Finance Member comes from abroad. He is a stranger to the country. He sits here for the usual period of five years. It takes him three years to understand the situation in the country. By the time he begins to understand the situation, he thinks of going home. Now we thereby do not get the value of people like Sir George Schuster after they have gathered ripe experience? Why, I ask, should he be under the same disability? He is not a service man with 30 years' service in the country who therefore has become sun-burnt. He comes here fresh with his English ideas and vigorous in intellect,—and why should we not have the benefit of his service for a longer period? ("Hear, hear" from the non-official European Benches.) The thing goes on uniformly. In the same way Sir Basil Blackett came here, and then went away, leaving difficult problems for Sir George Schuster. I am here to blame Sir George Schuster, the man, on the spot, but if Sir Basil Blackett had been here, I would have gone for him like a tiger (Laughter) for having induced us to waive the provincial contributions—which I say with all due respect to my Honourable friend, Diwan Bahadur Ramaswami Mudaliar—and also for those debt redemption operations at a time when our credit was as high as possible, and for his currency policy, when people thought he was guiding us properly in respect of currency and exchange. And I ask Sir George Schuster in all seriousness what is his real opinion about currency (Hear, hear), not the Government of India's opinion? (Laughter.) Now, that is my point. I do not want to dabble in that myself, but I want the honest, expert opinion of Sir George Schuster, because we are being flooded with contradictory opinions. My friends who are every day engaging in commerce tell me that the whole country is going to the dogs—and of course I quite agree with you that any disturbances at present will upset our Budget. I am satisfied about that—but how far? I would ask, "Are you allowing the patient to die for fear of immediate operation?" That is the point on which I wish to be satisfied. If you tell me your opinion in private, I shall be satisfied. (Laughter.) Sir, then again I do not think I will trouble the Finance Member much further because, after all, he has got to bear the burden.

Now, I wish to come to the Department of Education, Health and Lands presided over by my friend, Sir Fazl-i-Husain. Sir, my great complaint is that he does not allow provincial autonomy. He wants to hold them tight. Sir, if the Madras Council wants to pass land revenue legislation, he does not permit them to do it. He told me plainly, in answer to my question, that he does not agree to this principle, although the Madras Government are prepared to take up that responsibility. That is a vital question, Sir, for the province. Sir, my province is a *ryotwari* province in which the *ryotwari* settlement prevails. There has been for

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years past the cry of the people that that settlement and the revision processes affect them vitally and prevent their effecting improvements, for, directly they improve the land, the settlement officers pounce upon their profits. There is thus discouragement against our adopting modern methods of cultivation with a view to improving the yielding capacity of the land, and although the settlement period is nominally 30 years, at the end of 25 years the operations begin, so that you may be in time—just as the Simon Commission came in 1928 and 1929; so these settlement operations commence at once long before the actual revision. In fact it is a great burden upon the land-owners and it stands in the way of their reforming the laws of that province. . . .

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain (Member for Education, Health and Lands): Laws relating to land were made by the Local Legislature last year, and the Government of India did not stop them?

Diwan Bahadur T. Rangachariar: I believe the Local Government wanted to legislate on particular lines, but the Government of India stopped them. That is what I think the answer of the Honourable Member to my question in the House indicated. However, that is a matter in respect of which we are all told that it is the Government of India which stand in the way of legislation going forward there.

Then, Sir, I want to know how my countrymen abroad are getting on. The other day I noticed that in the other Chamber a question was put, "How many Indians went to South America from 1900, how many there are in that land, what concessions they are allowed in that land, how they are getting on", and so forth. That was the question,—and what was the answer? I think "Indians Overseas" is a subject in the charge of my Honourable friend, Sir Fazl-i-Husain, as appertaining to the Emigration Branch. But I find, Sir, that Sir Charles Watson, I think, gave the reply; it was he who took it upon himself to give the reply, and he said—I do not know why he took it upon himself being in charge of the Political Department I think—however, he gave the reply, "We have no information (Laughter) as to how many Indians there are in South America". Sir, is that the way in which the Government are interesting themselves in their people abroad? Is that the way to have information about our people abroad? You do not know how many Indians there are in South America? Is that the opinion of the Government of India,—and you come to us to give you supplies to carry on the administration? You profess ignorance of a vital matter like that? (Laughter.) What interest do the English people take in their nationals abroad? How carefully do they inquire into the economic condition of their people, how many people there are in Australia, what their occupations are. Where is the information. I ask, of my Honourable friend, Mr. Bajpai, who is the Director of Public Information here? Why should he not furnish us with this information, instead of giving lectures and writing chapters on the misguided activities of the Indian Legislature, and their other acts of omission and commission. Sir, we do not want such a sort of thing. We want actual information as to the real state of Indians abroad, how they are treated, and so forth, whether they have got equal citizen rights. Why should we not have reports placed on the table before we come

here to the Assembly, in December or January just as we had—in refreshing contrast this year—the information compiled and furnished to us in a very valuable pamphlet by the Director General of Commercial Intelligence showing us the difference in imports and exports of the various commodities. That, Sir, was very useful. Similarly, such information would be very useful, and we should be very thankful for such a performance of their duty by the Government Departments.

Now, again, I should like to ask my Honourable friend, the Industries Member—I am sorry I do not find him here—is there any scheme of technical education abroad? Are there any technical schools started? How is the School of Mines getting on? How are the Indian apprentices getting on? We want to know if the firms which take large Indian contracts have taken Indian apprentices into their mechanical and various other engineering workshops. Have they taken any Indian apprentices? How are they getting on? How many of them are there? Sir, all this information we must have. We must put starred questions or unstarred questions and get the information. We want information about the School of Mines; I know I took a great interest in bringing into existence that School of Mines. We want to know how it has progressed. Is it really imparting useful knowledge to the different students such as would enable them to improve the economic condition of the country and develop the resources of the people? What steps are being taken in that direction? Sir, the huge book called the Budget Demands only gives us the salaries and numbers of establishments, but this sort of information is withheld from us. We want to know how far the contracting firms have abided by the terms on which they have entered into their contracts. I remember distinctly that we insisted from this side of the House that no contract should be given without some undertaking on the part of the contracting firms that they would give every facility and opportunity for Indians to be trained; I should like to know how these things are getting on.

Now, as regards my Honourable friend the Law Member, I should like to know what is the result of his examination as regards the income-tax with reference to Hindu undivided families. I see my Honourable friend, the Law Member, interposed on the last occasion, that when the matter was brought up, he would consider it, but he qualified it by saying, that if some Honourable Member came forward with that proposal. Why should he wait for some-body else to bring forward this proposal? He is equally responsible for this. Why should not the Honourable the Law Member himself have brought forward this proposal? The Honourable Member knows that in July last the Assembly was dissolved. There is another complaint which I have to make with regard to this. Although we came into existence in September of last year, we were not summoned earlier than January of this year. That is another complaint I have to make against the Law Department, and I think my Honourable friend Sir Lancelot Graham is responsible for that. Why were we not summoned earlier?

Sir Lancelot Graham (Secretary, Legislative Department): That is the business of the Governor General.

Diwan Bahadur T. Rangachariar: I know that, Sir; but the Governor General acts on the advice of the Honourable Member. When the Legislative Councils were duly constituted in all parts of the country by the end of September, how is it we were not summoned earlier? Was there no business? You had your Ordinances to issue. How many Ordinances did you issue? Six.

An Honourable Member: Eleven.

Diwan Bahadur T. Rangachariar: Yes; you issued eleven Ordinances. Why ignore us? Why are you waiting for this Assembly to disperse to do something else?

An Honourable Member: What is it?

Diwan Bahadur T. Rangachariar: Burma will tell you. This sort of thing will not do. Take us fully into your confidence, if you want us to share your responsibilities. Do not try to steal behind our back. We should have been summoned earlier. We did not undertake these duties without a due sense of our responsibilities. We would have been delighted to come and assist the Government of India in the matter of enacting these Ordinances, if they were really required. Why suspect us? If you had placed us in full possession of all the information, we would certainly have assisted you. Do not keep us in ignorance of what is going on in the Afridi *jirghas*. Some rumours get across the Indus and we hear all sorts of rumours about the Afridis. I am told the Afridis said to the Chief Commissioner of the North-West Frontier Province, "Look here, you settle with Mr. Gandhi, then and then only we will take our pension". These are the sort of stories that we hear. I do not know how far they are true. After having come here, I hear this sort of thing takes place. Take us fully into your confidence. Do not think you alone are responsible for the government of this country. We want to assist you in governing this country. We want to take the government of the country into our hands. That being so I say this sort of hush-hush policy should be dropped.

Then, as regards the Foreign and Political Department, it is a closed door to us, just like the Army. Not even Indianisation goes on there. Of course, the clerks, the Deputy Secretaries and the Secretaries are all prohibited from having any conversation with any Member of the Legislative Assembly. If any of the members on the staff of the Foreign and Political Department are found conversing with an Honourable Member of this Assembly, it will be construed a misconduct on their part. I do not know if the circular which the Home Department issued some years ago is still in existence. It will be considered a gross breach of the Government Servants' Conduct Rules if any subordinates of the Foreign and Political Department hold communication with Members of the Legislature, and they would be severely reprimanded and otherwise dealt with for such conduct. Therefore, Sir, we do not know what is happening in the Foreign and Political Department. I only find that a sum of 18 lakhs odd is carried on to the non-voted side and the Government merely add a note in one of the statements issued along with the Report of the Public Accounts Committee, saying that in accordance with the wishes expressed by the Public Accounts Committee, they give us the statement. I find under the Foreign and Political Department, a sum of 18 lakhs and odd is transferred to the non-voted side by the Governor General in

Council without any reason. Well, Sir, non-voted items have a tendency to multiply and the Honourable Members will remember, that when they entered the Assembly in 1921, the non-voted items were not so numerous as they are today. If this system of keeping non-voted items should remain, I may assure my Honourable friends that these items would swell gradually and become bigger and bigger.

One word more, by way of adding a proviso to the statement made by my Honourable friend, Mr. Chetty, to my right. I quite agree with him that contractual obligations, as regards pay, should be respected. But he apparently assumed that there was a contractual obligation entered into by the Government of India with their servants that they would be given so much as pay and that the pay was not liable to revision. I do not think there is any such clause even in the covenant of the Indian Civil Servants. But of course it is a matter for legal consideration. It is a matter for legal opinion. But I will only add a proviso to the remarks of Mr. Chetty, that is, "In case there is a binding contract that we should not revise the salary", just as in the case of the Permanent Settlement of Bengal, if that is so, of course, I can quite understand his respecting that contract. But if the contract is, "Having regard to the rise in prices, we can increase or decrease your pay", it is a different matter. If, having regard to the rise in prices, the Government could increase their pay by appointing a Lee Commission, then they can certainly appoint a Low Commission in order to reduce their pay. Why should they not do that? They come to the services with their eyes wide open to this, that the pay depends upon the price of articles and upon their reasonable standard of living. I do not know if my Honourable friends representing the commercial community enter into such invariable contracts with their servants. I think they would revise the salaries just as the standards require. I quite agree that, if there is a contract, we must respect it. If the contract is conditional, and if the Government of India have got the power to revise, I ask them to revise the salaries. My Honourable friend, Mr. Chetty, gives the whole show away, because, having argued that the Government of India have not taken advantage—he quoted chapter and verse for this—that they have not taken advantage of the fall in the index figures of wholesale prices, which he said was from 131 to 101, and having argued that there has not been shown adequate retrenchment, he says that salaries should not be touched. If you retrench allowances alone, I do not think you can save much. Therefore I want that that question should be kept in view, namely, reduction in the salaries, owing to the fall in prices of commodities.

Mr. R. K. Shanmukham Chetty: On a point of personal explanation, Sir, I do not think there is any difference between my point of view and that of Mr. Rangachariar. My point of view also was that, if there was contractual obligation, that ought to be respected.

Diwan Bahadur T. Rangachariar: Only that proviso was needed and so I will not press the point. Therefore, it is a matter which we have to examine with great care. After all, as I said the other day more than 30 per cent. of our revenues go to maintain the establishments in one form or another. If that is so, and if we cannot cut down our expenditure in that direction, there is no use of attempting to appoint a Retrenchment Committee. At least for the future, we must set our houses in order.

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Sir, there is only one word more. I find there was rather undue haste on the part of my Honourable friend Mr. Sams to repudiate the criticisms offered by Mr. Puri behind me. He made some detailed criticisms and suggestions as regards the way in which the Postal Department could be retrenched. But the hurry with which Mr. Sams dealt with the detailed examination in question—I do not know if Mr. Sams was furnished with a copy of the speech beforehand, otherwise I could not understand his readiness to repudiate the suggestion offhand—the hurry with which Mr. Sams repudiated the suggestions is something which should not be allowed in the case of heads of Departments. The tendency of heads of Departments to repudiate constructive suggestions offered by Members of this House is one which is to be deprecated

Mr. J. A. Shillidy (Secretary, Industries and Labour Department): The Honourable Member who delivered that speech was kind enough to give Mr. Sams a copy of his speech beforehand.

Diwan Bahadur T. Rangachariar: Even if he showed a copy of his speech, it was rather a hurried rejection of the constructive suggestions

Mr. J. A. Shillidy: On the contrary I believe the Honourable Member expressed his satisfaction after the convincing explanation that was given him.

Diwan Bahadur T. Rangachariar: It appears to me, Sir, that it was a very constructive criticism which my Honourable friend Mr. Puri offered, and it was the best that I listened to in this House dealing with the Department as a whole, and I had hoped it deserved better treatment at the hands of my Honourable friend, Mr. Sams. I hope and trust that heads of Departments will co-operate with us in examining the constructive criticisms that we offer. After all, it is their work as it is our work. Let us not consider that we belong to different parts of the House. We all belong to one and the same part of the House. We all have one aim in view, that is the good of India. We are all servants of India, some of us paid, and some others unpaid. We are all servants of India. Let us all rise to the occasion, and on an occasion like this, let us put our shoulders together, let us all put our brains together and evolve a constructive policy which will endure for the everlasting good of India. (Applause.)

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.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): Mr. President, I do not know what impression you have formed during the last two days of the discussion that has been going on. But I am afraid, Sir, that if the response that has been made by some Members on the Treasury Benches is an indication of the idea that

they have of the value of the speeches, none of us need feel complimented. The Leader of my Party in this House, Sir Abdur Rahim, got up this morning and occupied the time of the House for nearly half an hour in dealing with the Military Budget, and what was it that we saw on the Treasury Benches? In the first place this House is complimented by the fact that for a grant of over 52 crores, whether made directly or indirectly, there is no person responsible, with intimate knowledge either of the technique or otherwise of the Military Budget, who is a Member of this House and who can reply to our arguments. My Honourable friend, the Army Secretary, is a civilian. He does not pretend to know anything of the technical side of Army affairs and that is the compliment that this House is paid so far as the Army Budget is concerned. We are accused of making criticisms without knowing anything of the Army. This morning even that compliment was not paid us. My Honourable friend, the Leader of the Independent Party, spoke for 30 minutes subjecting the Army Budget to detailed criticism and my Honourable friend, Mr. Young, turned his back on the Assembly and on the speaker. Now, Sir, that is not a fair position. When other Members of the Treasury Benches were being subjected to criticism I noticed the Leader of the House coming in hurrying, I noticed that the Home Member came in hurrying to listen to what had to be said on the subject. Of course we do not expect official Members to be always glued to their seats, but they must at least have this courtesy shown to us, that when any criticism is offered regarding any of their Departments they should come here and listen to that criticism. The Army Budget is different from the civil Budget. The Army Budget is beyond the scope of the House. So whoever represents the Army Department is much superior to even an Executive Council Member of the Government or the Leader of the House. Sir, that is an indication of how the responsibility of this Government of India is shown to this Legislature and to the public; and I venture to record my emphatic protest against the grossly discourteous and unseemly manner in which those who are responsible for running the Army Department are treating this House. Sir, it is not my intention to lose my temper on this occasion; I very nearly was losing it, and if you only had called upon me to speak soon after my friend, Sir Abdur Rahim, had finished, I cannot say that I would not have used unparliamentary language. Sir, I hope that this way of treating the House will not be continued any longer. We are grossly dissatisfied with the fact that in the first place there is no responsible gentleman representing the Army who can speak with authority on Army matters in this House. There are reasons, I am told, historic reasons, why that is the case. I do not want to go into that; I do not want to examine the justification of those historic reasons. I do not even want to question whether those historic reasons are applicable today to this new Assembly. But, Sir, I must put my protest on record at the way in which this House is being treated, by no responsible person who can authoritatively speak on Army subjects being nominated to this House, and secondly, by even the irresponsible Army Secretary not doing us the courtesy of being present when prominent Leaders in the House discuss these questions. I must put my emphatic protest against this.

Sir, let me turn to the Finance Bill proper. My Honourable friend, the Finance Member, has had criticism from almost every side of the

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House. There was no Member who had a good word to say about the Finance Member's Budget save one. I congratulate the Honourable the Finance Member on the very able support that he has been able to get from the distinguished representative of the Bombay Northern Constituency. I congratulate him on the lucidity, clearness, forcibleness and elegance with which that support was extended to him through the speech of my Honourable friend. I congratulate him further on the many constructive suggestions that my Honourable friend has made to help the Finance Member out of the morass in which he finds himself. When the Honourable Member wants to meet the deficits in connection with his Budget, if he wants constructive suggestions from this side of the House as to how he should get this Taxation Bill through or if he wants alternative constructive suggestions as to how he can avoid the taxation proposals in balancing the Budget, there is my friend from Northern Bombay who comes forward and says, "Plump for the unitary government".

Mr. N. N. Anklesaria (Bombay Northern Division: Non-Muhammadan Rural): Sir, I protest against this levity being exhibited in this House.

Mr. President: The Honourable Member does not seem to appreciate the element of humour in public debates. (Laughter.)

Diwan Bahadur A. Ramaswami Mudaliar: If my Honourable friend, the Finance Member, wants constructive suggestions, there is the most constructive suggestion that has so far been offered on the floor of this House by my Honourable friend to balance his Budget, plump in for the unitary system of government and do not go in for the federal system. Sir, I do not want to deal at greater length with the speech of the Honourable Member. He is perhaps new to democratic assemblies and Parliamentary ways, but I trust—I speak with great humility and with no sense of disrespect towards him—I trust that in course of time he will remember that it is a most dangerous pastime to indulge in casting reflections on colleagues of his in this House.

Sir, let me at once go to the Finance Bill itself. The last time I spoke I dealt with the Army Budget. Today I shall try to deal with the civil Budget which the Honourable the Finance Member has presented to us. My Honourable friend made out a strong case that there is no room for retrenchment whatsoever, that they had got to the rock bottom and that a retrenchment committee can only satisfy itself that everything had been done by the Government that could be and ought to have been done. "Our search for economy", says the Finance Member, "has been absolutely studious, and every phase of the civil Budget has been examined and there is no part of that Budget which can be subjected to further cuts of any kind". On the last occasion, my Honourable friend thought that I was not being fair in quoting extracts from the Public Accounts Committee's Report and, as he put it, I painted the picture black. I do not know how the picture will ultimately emerge after I have finished my speech today. But I shall not resort to the Public Accounts Committee's Report, but shall go through only two or three casual documents that have come into my hands, documents which I trust the Finance Member will not repudiate. I shall refer to the Gazette of India, the most authoritative publicity

document of the Government of India, during the last three weeks alone, because I do not want to rummage past files of that Gazette. I shall try to put before the House what sort of search for economy is being carried on by the Government of India and by my friend, the Finance Member.

Let me take you through the Gazette of India which has last come into our hands—dated the 14th March. It opens with a notification under the Home Department (Establishments) and it gives a set of rules promulgated by the Secretary of State for India in Council regarding the pay of officers of the Stores Department of State Railways. The point of this rule, so far as I have been able to make out is that this scale of pay is made applicable to the Burma Railway which has recently been taken over by the State. At a time when my Honourable friend wants to revise the rates of pay of future entrants, at a time when my Honourable friend is convinced, as we are on this side of the House, that whatever obligation there might have been with respect to Government servants who have already entered service and with whom we have made contractual relations, when my Honourable friend feels that with reference to further recruitment there ought to be a new policy, at that time the Gazette of India notification says that rates of pay which have been prescribed for other railways automatically apply to the servants of the Burma Railway also. Sir, I shall not labour that point further.

Let me go to a further note which is to be found in this notification. I admit that I am not thoroughly familiar with the Civil Service Rules, with the regulations and with the leave of absence rules and all the rest of that jargon that Government servants are so thoroughly familiar with whenever they want to get the maximum advantage of these rules. I admit at once that I have perused these rules and tried to reinforce myself by perusing these and other rules merely as a layman. Let me come to the next notification which runs as follows:

"The following scale of pay shall apply to the post of Superintendent, Printing and Stationery, North Western Railway with effect from the 31st May, 1924:

1st year—so much

2nd year—so much, etc.

plus so much overseas pay."

If you compare it with the last rule which is to be found in the Civil Service Regulations, you will find that practically the same scale of pay is fixed, but with effect from the 1st August, 1928. Now, at a time when prices are falling, at a time when the Finance Member is making his search for economy, a notification comes in giving retrospective effect to this scale of pay from May 1924. I do not think that any profound knowledge of financial securities is required to understand that if the officer from the first had a scale from the 1st August, 1928, and that is revised to give him retrospective effect from the 1st May, 1924, the result will be a little more money into his pocket and a little less money in the pocket of the Finance Member of the Government of India.

The Honourable Sir George Schuster (Finance Member): Could my Honourable friend tell me what he is referring to? I think he said it was some railway. Which railway?

Diwan Bahadur A. Ramaswami Mudaliar: I thought I read it; the North Western Railway.

The Honourable Sir George Schuster: I did not catch what my Honourable friend said.

Diwan Bahadur A. Ramaswami Mudaliar: If my Honourable friend will refer to the Civil Service Rules, he will find that the last notification said that this scale was to be given to the Superintendent with effect from the 1st August, 1928, whereas this notification says it will have effect from the 31st May, 1924. That is to say, while my friend is pursuing his economic methods, using his pruning knife, this notification comes forward and says that this particular person will have some larger pay than he was drawing during the last year at this time,—an illustration of the unexampled search for economy which the Government of India are pursuing.

Let me come to another illustration. I have tried to take it only from recent Gazettes of India and have not dived in to the past history for a very long period. At another page a notification is published, which says:

"In exercise of the power conferred by the Civil Service Rules the Governor General in Council is pleased to make the following amendment in the Fundamental Rules, namely:

In Rule 93 of the said Rules, the words 'on average pay' and the words 'during the first four months of his leave' shall be omitted."

It is very difficult to understand these notifications without a detailed reference to the old Fundamental Rules and to the changes subsequently made. Let me explain to the House quite briefly what this change means. According to the old rule, passed only in 1924, after the Lee Commission's Report, compensatory allowance is given to officers on leave, provided they are on leave on average pay and for the first four months of their leave. Now, this notification extends that privilege to all officers whether they are on leave on average pay or not and to the full period of their leave and not merely to the four months' period: an illustration again of the unexampled manner in which the search for economy is unremittingly pursued by the Government of India.

Let me take you to another notification in the Gazette of India of the 7th March—a notification of the Home Department: it says:

"In exercise of the powers conferred by sub-section (2) of section 96B of the Government of India Act, the Secretary of State with the concurrence of a majority of votes at a meeting of the Council of India, hereby makes the following amendment:

"In . . . section (b) after the entry relating to Bombay and before the entries relating to the Foreign and Political Department Secretariat of the Government of India, the following shall be inserted, namely:

Vice-Consul, Kashgar: 150—with effect from 8th November, 1930."

This is an additional allowance given to the Vice-Consul at a time again when my friend has admitted that prices have fallen down, when he is thinking of revising salaries of staff. At such a time my friend, the Vice-Consul of Kashgar, gets an additional sum of Rs. 150—another illustration again of the unexampled search for economy that the Finance Member is pursuing.

Let me take another notification in the same Gazette:

"The following pay shall attach to the post of Director of Inspection, Indian Stores Department:

Pay Rs. 2,250—100—2,750 per mensem

Overseas Pay £13-6-8 per mensem,

while held by Mr. D. Cardew."

I have no idea who Mr. Cardew is: for aught I know he is a very eminent officer thoroughly fit for the post; but I venture to protest against these additions being made . . .

Mr. J. A. Shillidy: There was no addition made: he got merely the same pay as he was getting in the other post; he got his overseas pay as he got elsewhere under the Railway Department.

Diwan Bahadur A. Ramaswami Mudaliar: Then, why on earth did you transfer him from the Railway Department and give him higher pay in this Department?

Mr. J. A. Shillidy: Because we thought that he was the best man suited for that particular post.

Diwan Bahadur A. Ramaswami Mudaliar: Why did you transfer him from the Railway to this Department if you had to pay this additional sum for taking up this work? This post might have been held by a man on a lower salary; it was held by a man on a lower salary till Mr. Cardew came; and Mr. Cardew comes to this place and gets this additional salary, and the gentleman who has taken the place of Mr. Cardew will also get the old salary of Mr. Cardew. That is what I am protesting against.

Mr. J. A. Shillidy: I am not aware of that at all.

Mr. R. K. Shanmukham Chetty: Are you aware of the contrary?

Diwan Bahadur A. Ramaswami Mudaliar: My friend, the Deputy President, has taken the words out of my mouth: are you aware of the contrary? I have no doubt whatever that the effect of this notification is to increase the expenditure. Now, I should like to come to another notification. Take the previous Gazette of February 28th—the Bengal Pilot Service, Deputy Port Officer, Pilotage, Calcutta. Here I may say that I spent four hours in hunting up the details of this appointment, and I could not find any. Under what name it is given in this Budget, I am not aware. And I must pay a compliment to the Honourable the Finance Member or rather to his department for the exceedingly able manner in which they prepare the Budget. Sir, the veil in Egypt has been described, —I say with due chivalry,—the veil in Egypt has been described as something which more reveals than conceals. So far as the Finance Department is concerned, the Budget is something which more conceals than reveals the operations of the Departments of the Government of India. Wade through this book as much as you like, peruse it from cover to cover, howsoever much you like, and you will find yourself absolutely at sea, no matter how much experience you might have had in dealing with past Budgets of other provinces to find out exactly where the staff is shown, what are the salaries given to each of the staff and so on. The italics are sometimes below and sometimes above. What those italics are I do not know, but I take it that the italics shown against the staff refers to servants who are appointed by the Secretary of State and who draw non-voted salaries. Various allowances are given, and sometimes they are shown as voted and sometimes as non-voted. But, Sir, to come back to this illustration again, this officer appointed to the Bengal Pilot Service draws special pay and overseas pay—an illustration again of the unexampled search for economy which the Government of India is pursuing in these very critical days.

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LEGISLATIVE ASSEMBLY.

[19TH MAR. 1931.]

[Diwan Bahadur A. Ramaswami Mudaliar.]

Lastly, Sir, I should like to take this House through a very interesting notification published in the Gazette of India, dated the 14th of March. To appreciate that notification I would ask the House to bear with me while I read the whole of it:

"The following Resolution made by the Secretary of State for India in Council is published for general information:

"In exercise of the powers conferred by sub-section (5) of section 86 of the Government of India Act, the Secretary of State for India in Council with the concurrence of a majority of votes at a meeting of the Council of India held this 10th day of February, 1931, hereby makes the following amendment to the Leave of Absence (Allowances) Rules, dated October 15th, 1924, namely:

At the end of Rule 2 of the said Rules, the following shall be inserted with effect from the 3rd November, 1930, namely:

Provided that it shall be lawful for the Secretary of State in Council, for special reasons to be recorded, to increase the leave allowances prescribed for a Governor in the Schedule to such amount not exceeding Rs. 5,500 a month as appears to him just and equitable."

I might explain to the House that under the existing Leave of Absence (Allowance) Rules, before this notification was made, the leave allowance of a Governor was fixed at Rs. 4,000 a month. This provision for leave to Governors is a very recent innovation. We never heard of Governors and Viceroy leaving the shores of this country before their term of 5 years was over. During the last few years this innovation has been introduced permitting Governors and Viceroy to take four months' leave, and at that time Rs. 4,000 was considered ample for the Governors of major provinces while they were absent on leave in England. Now at a time when a great crisis is staring the Government of India and the Honourable the Finance Member in the face with reference to the finances of the country, when prices have fallen, when this unexampled search for economy is being made by my Honourable friend, the Finance Member, the great Moghul at Whitehall, as he has been termed,—and I do not cast any reflections on the Moghuls that ever sat at Delhi—the Great Moghul at Whitehall, surrounded by his harem of India Council Members sitting in solemn conclave, passes this Resolution giving an increase to Governors while on leave in England from Rs. 4,000 to Rs. 5,500. And, Sir, mark the words—"It shall be lawful for the Secretary of State for India in Council to increase the allowance from Rs. 4,000 to Rs. 5,500". That is to say, the Secretary of State and the India Council sit together and decide for themselves what shall be lawful for them to do,—not even a case of appealing from Phillip drunk to Phillip sober. (Laughter.) These are a few instances picked up at random from the last three issues of the Gazette to show how unremittingly in an unexampled manner the search for economy is being pursued by the Honourable the Finance Member and his colleagues who are associated with him on the Treasury Benches.

Sir, I should like to refer to one last notification for which, I believe, the Honourable the Finance Member is directly responsible. I understand that he is directly in charge of the Income-tax Department. I do not know if I am wrong. Now, Sir, in the issue of March 14th, a notification appears regarding this income-tax. This House has heard that the assets of the

Indo-European Telegraph Company have been sold, but to this day this House does not know what the details of that transaction are. Here I may venture to raise my protest against the Explanatory Memorandum of the Finance Secretary, which explains nothing. I am accustomed to read Explanatory Memoranda of Finance Secretaries in Provincial Governments. They are bulky volumes. They contain not merely statistics and figures, but they give a history of the operations of the Government in various Departments; they tell you the history of any particular Department, how it has grown, why a need has arisen for additional staff or for a reduction here or a retrenchment elsewhere. They take particular schemes of the Government and tell you how they are progressing and what the progress is likely to be in the coming year. Now, I ask you, Sir, as the custodian of our liberties in this House, to tell us whether after reading this Explanatory Memorandum, you are better off than before reading it. This Indo-European Telegraph Company's transactions are still a sealed book to Members of this House. We have heard nothing about the transactions of this company except a bare statement that it was a losing concern, and my Honourable friend has thought fit not to tell us or give a statement as to what it cost and how it was sold. We have not been told, for instance, what became of the staff of the Indo-European Telegraph Company. Was that staff maintained by the Government? Of course, it was. Has it been transferred over to the new company? We have no information. But this notification gives us some indication,—I may be very wrong, I know I am treading on very thin ice in these matters because of my want of knowledge, I may be very wrong,—but I gather from this notification that a part of the staff has been asked to go home and gratuities have been given to them, and my Honourable friend, the Finance Member, comes forward and says,—a very generous gentleman and kind-hearted to those people, as indeed he is to all people—the Finance Member comes forward and says this:

"In exercise of the powers conferred by section 60 of the Indian Income-tax Act, 1922 (XI of 1922), the Governor General in Council is pleased to direct that the following further amendment shall be made in the notification of the Government of India in the Finance Department No. , etc.

"13B. Gratuities granted to the staff of the Indo-European Telegraph Department in pursuance of the Resolution of the Secretary of State for India in Council dated the 24th June, 1930."

I should like here to explain to the House that under section 60 of the Indian Income-tax Act the Governor General in Council has power to exempt various classes of people from the payment of income-tax,—

"The Governor General in Council may by notification in the Gazette of India make an exemption, reduction in rate or other modification in respect of income-tax in favour of any class of income or in regard to the whole or any part of the income of any class of persons";—

and my friend, the Honourable the Finance Member, quite properly thought that gratuities given to the staff ought to be exempt from income-tax. Where is that kind-heartedness when you come forward and double the income-tax so far as all the rest are concerned? The Honourable the Finance Member says that the civil servants cannot be asked to retrench their salary, but at the same time they should be asked to accept some share of the deficit. Therefore, it is a very just thing he has done in trying to raise the income-tax on the civil servants. But what about the

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gratuities to the extent of nearly five lakhs that are going to be paid to the staff of the Indo-European Telegraph Department for which you have gone out of your way by issuing a special notification just at the present time to exempt them from the operation of the Indian Income-tax Act altogether? On the other hand, if the Honourable the Finance Member had only examined the exemptions under the Indian Income-tax Act, section 60, he would have found the necessity of revising some of these notifications, and at this period of crisis, bringing into the operation of the Act some of the classes of persons who have so far been exempted from the Indian income-tax.

The Honourable Sir George Schuster: I do not want to interrupt the Honourable Member, but I think he will realise that it will be impossible for me to deal with all these points in detail in my reply. I do suggest that he is misleading the House on this particular issue. As I understand the position—I have not had time to verify the details—but as I understand the position, when the Indo-European Telegraph Department was sold, it was necessary to pay some sort of compensation to the employees who lost their employment, and if we were to pay compensation—on a fair basis—with one hand, and then take part of it away with the other hand in the form of income-tax, I think my Honourable friend will recognise that that would not have been a very reasonable transaction. If the payments had been made liable to income-tax, all that would have happened would have been that there would have had to be an increase in the amount of compensation. I take it that that is the position. I suggest to my Honourable friend that it is not fair to quote this as an instance of extravagance in Government administration. This was the winding up of an undertaking, the sale of which I am prepared to tell him—the credit is not mine, but it belongs to the Honourable Member in charge of Industries and Labour—was a most profitable transaction for the Government, because they realised a large sum in cash and got rid of a losing undertaking. (Cheers from the Treasury Benches.)

Diwan Bahadur A. Ramaswami Mudaliar: Sir, I do not envy the Honourable the Finance Member the cheer that he has been able to get from the back benchers in the Treasury Bench. I honestly hope that they will cheer Honourable Members on the Treasury Bench more often than they have been doing in the past. I may say that we do not expect to hear the Honourable the Finance Member in reply in regard to many of the points that we have made with reference to the Government. It has been our lot to make these representations time after time, and it has been our expectation not to get replies from the Honourable Members of the Treasury Bench. With reference to this particular matter, the Honourable the Finance Member has suggested that it would be taking away with one hand what we give with the other. I do not know the details of these things, or the technicalities, but I take it that gratuities are generally based on a certain number of years of service and pay, and it is a well understood rule which applies to most Departments, where gratuities are paid. I therefore think that you have gone out of your way to exempt them and that there is no question of taking away with one hand what you have given with the other. While I am on this point, may I suggest to my Honourable friend that at least in issuing this notification his attention must have been drawn to section 60 of the Indian Income-tax Act? Did

he then notice the numerous exemptions that were granted under this Act, and when he has come forward with fresh proposals for additional income-tax to the extent of almost cent per cent, did it strike him that the list of these exemptions could to a certain extent be revised? My Honourable friend is bringing forward a Bill whereby incomes that are made in foreign countries ought to be taxed. Many of us are going to support him in that Bill. I know that the Honourable the Finance Member is very enthusiastic about it. Did he in this connection think whether it was proper at this time of the year, and at least for the next year, to withdraw the exemption, for instance, of salaries which vacation Judges of the High Court draw in England,—the extent to which they are exempted from payment of Indian income-tax? Did he consider that possibility? The vacation Judges of the High Court, who go to England during the vacation, get their salaries there and those salaries for that period are exempt from the Indian income-tax. I do not say that it makes a very great difference in these Rs. 17 crores of loss that we have to meet. Was it not possible that the Honourable the Finance Member might have suggested that at least for the next year that particular exemption might be withdrawn so that the Honourable Judges of the High Court may also pay along with others on the income which is now escaping taxation, the income that they draw during their vacation in England, and especially, as I have said, when he is thinking of charging with income-tax income which is made elsewhere than in this country?

Now, Sir, I do not think I need elaborate this point very much more. We are not satisfied that there is any genuine attempt whatsoever to pursue economy of any kind so far as the civil Budget is concerned. Not merely that, but we feel that in several directions there is a distinct tendency the other way. My Honourable friend spoke of allowances being reduced and took credit for the fact that there was a searching economy being made and also ruthless reduction. Will my Honourable friend say that during the last six months no additions have been made to the kind of allowances that officers draw? What is the good of asking us to accept all that is stated from the Treasury Bench as regards your trial for economy when we can, as a matter of fact, lay our hands here, there and elsewhere and point out that additional allowances which were not paid in the last year are going to be paid in the coming year? Is that the sort of economy that you want us to be satisfied with? Take, again, the way in which the voted and non-voted expenditure is being treated. My Honourable friend, Mr. B. Das, whom I miss here this afternoon. . . (Mr. B. Das: "I am here")—I am very thankful that Mr. Das is here to reinforce me with his personal presence and to encourage me to make these observations—my Honourable friend, Mr. Das, referred to the increase in the non-voted items of expenditure. How it is that this item of non-voted expenditure is continuously mounting up I cannot say. I am not able to derive much assistance from a perusal of the Budget. What is this increase in the non-voted item of expenditure due to? My Honourable friend at the close of his speech on the last occasion said that he must ask me to withdraw any aspersion that I had made that the dirty work was going to be left to the coming Government. I carefully perused that speech, and I find nowhere the suggestion, or anything even remotely resembling that suggestion, in that speech. But I want my Honourable friend carefully to follow me in this regard. What is the meaning, at this particular time when constitutional developments are in the air, of non-voted items of

[Diwan Bahadur A. Ramaswami Mudaliar.] expenditure mounting up? What is the significance of non-voted items growing up when there is all this talk of contractual obligations being maintained and the Secretary of State's powers being preserved and of all those who were appointed by the Secretary of State being treated on a somewhat different basis from those who were recruited in this country by this Government? Let me take the first item, Customs. Last year the non-voted expenditure was Rs. 18,89,000. This year the non-voted figure has mounted up to Rs. 20,91,000, an increase of two lakhs. In the year 1925-26, after the Lee Commission's proposals, the Demand under Customs non-voted was Rs. 10 lakhs. The Demand today under Customs non-voted is double that figure, Rs. 20 lakhs. If you take the voted expenditure under Customs, the Demand was for Rs. 71 lakhs, and today, the Demand under Customs is Rs. 75 lakhs; that is to say, while the voted expenditure has mounted up by four lakhs, the non-voted expenditure has mounted up by double the amount. Customs has grown, staff has to be appointed, increased revenues are being got. I am not unmindful of the fact that a larger staff is required, and the Honourable Member will be entirely missing the point if he thinks that I do not realise that with the increased duties and the large amount of establishment necessitated thereby, there ought to be an increase in expenditure. But my point is this. While you are talking of Indianisation, while you are suggesting that the whole of this should come under the control of this House, you have made it effectively unapproachable so far as this House is concerned, by largely transferring the pays or salaries or whatever else that may be, to the non-voted portion of the Budget. And so, the tale is repeated in every other Department. My Honourable Leader, Sir Abdur Rahim, referred to the very small item which the Army Department presented to this House, a magnificently large sum of Rs. 5 lakhs out of a Demand of Rs. 52 or 54 crores. My Honourable friend, Mr. Mackworth Young, does not give us the consolation of even voting that sum. Whereas last year the non-voted item in the Army expenditure was Rs. 1,02,000, this year it has increased to Rs. 1,22,000. I know that even non-voted expenditure must grow up owing to the time scale of salaries and owing to the increments which are obviously necessitated by the time scale of salaries, but making all the allowance that I can for the growth, the normal growth, due to the time scale of salaries, I still venture to think that, because of various manipulations between the voted and non-voted items and because of various orders that were passed by the Secretary of State or the Government of India, items which were once voted and under the control of this House are being removed steadily and progressively from the control of this House. The point of it will be obvious when I say that the whole question of non-voted expenditure will be gone into in the very near future in connection with constitutional reforms and it seems to me—and this is the inference that I ask my non-official brethren to draw—that there is a persistent and steady effort being made to whittle down the scope of any adjustment that may be made in the future constitutional deliberations. I was talking of additional allowances and overseas pay being added even in this year. I find for instance that in the Central Board of Revenue, the Secretary is going to be given an overseas pay of Rs. 300 which he was not drawing in the current year, that is to say, my Honourable friend the Finance Member is so persistently pursuing his search for economy in the coming year that the Secretary of the Central Board of Revenue is going to be given a special pay of Rs. 300 which he was not getting in the last year. Now,

Sir, it might be suggested that these are all trivial sums and that I have been wasting the time of the House by referring to these trivial sums. I do not want to indulge in platitudes about taking care of the pence and the pounds taking care of themselves. I do not want even to refer to Gladstonian ideas of finance and the meticulous care with which details of finance were being taken care of by that great Chancellor of the Exchequer of England. I shall quote the authority of one—whose authority will not be questioned by this House at all. He said:

"We feel that at this juncture our primary duty is to stop up the hundreds of loopholes through which money is apt to leak when we are in times of prosperity. We hope that the reduction in expenditure will come not from half a dozen large items but from an immense accumulation of small items, the aggregate of which may be very substantial. This is an aspect of the case to which I specially desire to invite the attention of the House."

Sir, I like the ring of sincerity of those sentences. My Honourable friends ask from whom it comes. It comes from an authority whom nobody can question in this House—the very Leader of the House, my Honourable friend, Sir George Rainy. It is from that point of view, and in pursuance of that very sound advice, that the Leader of the House gave us, that I have been following the small items through the ramifications and the labyrinths of the budget that the Honourable the Finance Member has presented to us. Sir, what happens if we do carry out retrenchment. The other day my Honourable friends carried out a cut of a lakh of rupees in the Railway Budget. Will my friend, the Railway Member, explain to us how this cut is being given effect to? I see everywhere moanings and wailings of the *chaprasis* and clerks disbanded. The axe is falling on the small man. Notices have been served on small clerks to go home and the sedulous propaganda is being carried on that this inhuman House, this Legislative Assembly, is making it impossible for the Government to entertain all these petty clerks whom they were entertaining before. That is not the economy which this House wants. We want root and branch economy. We want you to go much deeper. We do not want you merely to cut off a few *chaprasis* and a few clerks. We have protested in the past, and we protest today and we say that if this is the sort of economy that you are carrying out, you are absolutely misinterpreting deliberately the intention of this House.

Sir, there is one part of the Budget which is very rarely discussed by Honourable Members in this House. So far as the voting on Demands is concerned, we never reach that portion of the Budget at all, and so far as the references to it are concerned, very few Honourable Members are in a position to refer to it. I refer to capital expenditure. My Honourable friend, the Finance Member, has had very little opportunity of answering any criticism with reference to capital expenditure, and after all it is with reference to capital expenditure that I say that not merely are there small loopholes but very big loopholes indeed, that there is an extravagance which will surprise any government and which will surprise the Finance Member if he cares to go into this question. Let me take one example—the Vizagapatam Harbour. I come from the province of Madras. I am very happy that that harbour is being constructed, and I hope that it will communicate with Central India and open out traffic that will make commerce and industry flourish in the remote central parts of India. Now, I ask my friend a very simple question. Does he think that the Vizagapatam Harbour expenditure is a productive concern? Does he hope that the

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interest that he is paying to the London market for borrowing his loan will be realised from the Vizagapatam Harbour construction? Who estimated for the harbour? What means have the Government of India to check these estimates. We know the public works estimates in the Local Governments. We know that one of the commonest things in the Public Works Department is estimates, revised estimates, further revised estimates and final estimates, revised final estimates and supplementary estimates. It has been the case with reference to Delhi itself. My Honourable friend the other day was telling us that it was estimated that it would cost only 5 or 6 crores and we know that it has gone up to 15 crores and still the expenditure is growing. It has been equally so with reference to the Vizagapatam Harbour. Now, let me assure my Honourable friend, the Finance Member, that if he cares to go into this question to find out how the money has been expended, he will find such a lot of information that he will certainly come to the conclusion that all is not well with reference to that harbour. He will find that three years ago lands were bought by the Government at about 10 times or 6 times the price that the Government gave for lands adjacent to it just a year or a year and a half back. He will find that one set of land acquisition officers gave this land at a certain value and another set acquired it for one-sixth or one-seventh of that value. And is my Honourable friend satisfied that the necessary and only the necessary land has been acquired for the harbour? I hear statements that land out of all proportion to requirements has been acquired. The Members of the House have not got the time to go into it. The details of the estimates are not placed before us. Crores of rupees are found only in one printed page of the Budget estimates and there is no attempt made whatsoever to see that these estimates are accurate or that these estimates are not extravagant and so with reference to many other capital works. Sir, I do not want to prolong this debate.

Sir Hugh Cocke (Bombay: European): Hear, hear.

Diwan Bahadur A. Ramaswami Mudaliar: I shall come immediately to the Finance Bill. Now, Sir, the Honourable the Finance Member has asked us to vote 15 crores of additional taxation. My Honourable friends, the European Members, seem to be rather impatient to go home.

Sir Hugh Cocke: We want to speak.

Diwan Bahadur A. Ramaswami Mudaliar: I am very thankful to my Honourable friend. I am sure that the House will sit till 7 or 8 o'clock to hear my Honourable friend, Sir Hugh Cocke. I can assure him that so far as the non-official benches are concerned, we will preserve the quorum and even if the Treasury Benches go away, my Honourable friend, Sir Hugh Cocke, can speak, because the effect will be just the same whether they are here or not.

Now, Sir, what is it that the Finance Member is asking us to do? He asks us to vote for this additional tax. I say that this is a phenomenal amount of taxation, that no Legislative Assembly during the last 11 years has been asked to vote for such a heavy amount of direct taxation. I have got the figures for the last 10 years, and I say it is an unprecedented amount of taxation that the Honourable the Finance Member is asking us to vote, and is it justified? I ask my friend to realise that, though he

has heard very little criticism about Customs, it is not because many of us do not realize the extreme gravity to the consumer of the heavy Customs duties which he has sought to impose. I do not want him to think—and I speak personally for myself and I know I am also speaking for some other Members at least in this House—I do not want the Finance Member to believe that the whole of India is a protectionist country, and that every addition that he makes to the Customs duties is a welcome addition from our point of view. I know the Customs duties have played a large part, I know that the protective duties have played a large part in this country, mainly due as much to political as to economic conditions; and when the Government changes, and when others are sitting on the Treasury Benches, I venture to express the opinion that there will be very much more realistic fights between the free traders and the protectionists in this country than there have been in the past. (Hear, hear.) Therefore, when we are accepting the Schedule of the Customs duties—and I take it we generally accept it because no Member has ventured to criticize that—it is not because we are all protectionists, but because from a sense of responsibility we believe that the Government should be found adequate revenues to meet their heavy duties. (Hear, hear.) It is that sense of responsibility, and not a desire to turn the country into an extremely protectionist country, not a desire to pander to a few millionaires of Bombay and Ahmedabad, who know how to trim their sails to the prevailing winds (Hear, hear), it is not from that desire at all that we are accepting the Customs proposals. But when I come to the income-tax proposals on the other hand, they are so grave, so unprecedented that no responsible Member of the House can venture to accept them either in their entirety or without very substantial modifications.

Mr. N. M. Joshi (Nominated Non-Official): If you accept the proposals for Customs, why do you not accept the proposals for income-tax?

Diwan Bahadur A. Ramaswami Mudaliar: Sir, I do not want to be drawn into a discussion with my friend, the Labour representative, as several of my Honourable friends are anxious to speak and it will take a very great time indeed to meet his point. (An Honourable Member: "Go on.") Now, I should like to make one appeal to my Honourable friend, the Finance Member. We have placed all our cards on the table. We have opened out our hearts to him. We have told him exactly our difficulties. We have told him that the country is not satisfied that retrenchment has actually been carried out. We have told him that the expenditure on the civil side is so great that every non-official feels that no serious attempt has been made to curtail it and thus to satisfy our legitimate demand. We have told him that the expenditure on the Army side is so extravagant that no Government which has any feeling of responsibility can have ever tolerated it. Now I want the Honourable the Finance Member and generally the Members on the Treasury Benches to realize our position. Sir, if I might say so, without offence to any quarter, we are peculiarly constituted on this side of the House today. We are supposed to be the more moderate and the more responsible element. We are supposed to be people who try to weigh the pros and cons of a thing, and who try to meet Government as fairly as possible with reference to their very onerous task.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Self-praise is no recommendation.

Diwan Bahadur A. Ramaswami Mudaliar: If my Honourable friend will follow me, he will find that it is just the reverse that I am indulging in. Sir, are you doing justice to us? Are you doing justice to the forces which want moderation to prevail in this country when you come forward with proposals like this and ask us to accept them *in toto*? We have had no reply at all, Sir, to the various questions that have been put by us to the Treasury Benches. Sir, "we ask and ask, but thou smilest and art still". The Treasury Benches give us no indication of how their minds are working. For three days Member after Member has got up and spoken, and none either on the Front Benches or behind care to intervene in the debate at all or care to express any opinion on the various arguments that have been raised, and at the end of it all, the Finance Member will get up and say that he has tried his best to make the House realize the gravity of the situation and it is for them to do what they as responsible men should to do. Sir, that is not a fair position, I submit. With every sense of responsibility, and with every desire to see that we also do our share in the constructive work of the Government, we find that there is no response whatsoever from the other side. The tables have to be reversed. We take you into our confidence, but you do not take us into your confidence. We try to be responsible, but you are as irresponsible as ever, and my Honourable friends have this feeling that somewhere or other they have got reserve powers up their sleeves which they can use if occasion requires, and it is that which gives them that feeling of confidence with which all our criticisms are met or are ignored. Sir, that is not a fair way of dealing with us, and that will not be helpful to them either for a very much longer period. I may here remark that occasionally when my Honourable friend, the Finance Member, who has been sitting through all these debates for these three days, feels that this criticism is getting beyond what he is prepared to accept, my Honourable friend just walks across the courtyard there, goes to another place and relieves his feelings. (Laughter.) Sir, I have read the Honourable Member's speech in the Council of State, and the compliment that he has showered on elderly statesman. (Hear, hear.) Sir, I was an elderly statesman only the other day; I was also a Member of the Council of State.

An Honourable Member: What a degradation!

Diwan Bahadur A. Ramaswami Mudaliar: Sir, if the alternative were placed before me of being His Majesty's guest or of being in the other place as at present constituted, I would rather be His Majesty's guest. (Laughter.) Sir, I suggest that it is not helpful to us at all if this kind of attitude is pursued.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): I should like to know, Sir, if Diwan Bahadur A. Ramaswami Mudaliar was His Majesty's in St. James's Palace?

Diwan Bahadur A. Ramaswami Mudaliar: No, Sir, I was a guest of His Majesty's Government. Now, Sir, I would like to take up the receipt side of the Finance Member's Budget. That has not got the consideration that it deserved in this House, and I venture to suggest to the Finance Member that the time has come when he should revise his receipt side of the Budget. I know that he prepared it in times of gloom

and on very black days, when he was feeling that trade could not possibly revive, when there was a feeling that the future was dark. I am sure, however, he will agree with me that at this time of the day there is every reason why he should revise the receipt side of his Budget. As it is, Sir,—and I have not got the assistance that my friend, the Finance Member, has got—as it is, I venture to state that the revenue is underestimated; and if you take into account the prospects of growing trade, the prospects of larger imports and exports, I venture to suggest to him that he will have to revise his budget to the tune of at least 2 crores more on the revenue side if he is to be fairly accurate in his figures. I can only make this statement, and my Honourable friend, the Finance Member, with all his authority, I am sure, will say that his revenue is underestimated. There will be nothing before March next, however, which can show whether I am right or my Honourable friend. But I want him to consider very seriously whether he would not be justified in budgeting for larger receipts, especially under Customs, than he has done. Now, Sir, I do not want to take up the time of the House. I would only suggest that our attitude with reference to the Finance Bill is a responsible attitude, and that merely characterising our attitude as irresponsible would not save the situation, and that with a full sense of responsibility, with every desire to help the Government, and in consideration of the difficulties in which the Government are placed today, we are going to adopt our course with reference to that Bill. (Loud Applause.)

Sir Hugh Cocke: Sir, the other day we had a very interesting, a very able and straightforward speech from the Honourable Member who spoke last, on the subject of the Round Table Conference—a subject which was peculiarly his own—but it did strike me today, Sir, that in the realm of finance, he was somewhat out of his depth, and that it would have been possible for him to put forward the points he did in a very much smaller compass. He made criticisms early in his speech on two points in connection with the Army Secretary and he incidentally said that had he been unfortunate enough, Sir, to catch your eye earlier, his language would have been so much the stronger for, he said, the Army Secretary had been absent during a speech criticising the Army. He also said that it was not to be expected that every Member of the Government should remain in their seats the whole time. That, of course, is obvious, but I do think that if Honourable Members on the Front Opposition Bench are going to make speeches in a long rambling discussion of this sort upon particular subjects, such as the Army, the Post Office and so on, it is only common courtesy that they should inform the Members of the Government of such an intention. On the other point, in another breath, he said, it was no good having the Army Secretary here, because he could not answer technical questions on military policy and so on. That, of course, is perfectly true, but it is also true practically of every legislature in the world and therefore, I do not think that that criticism was altogether apt. It is obvious that a civilian has got to defend the Army and the expenditure on the Army whenever these questions come before legislatures. When you are discussing the Audit Department, you do not expect to have the Auditor General to reply to your criticisms, or when you are discussing the Public Works Department, you do not expect the Chief Engineer

Maulvi Muhammad Yakub: Why not?

Sir Hugh Cocke: Because, it is not in accordance with custom.

Maulvi Muhammad Yakub: Here we had Mr. Hayman, for eight days, when the Railway Budget was under discussion. In the same way why not other heads of Departments?

Mr. B. Das: Mr. Hayman came here and not Mr. Russell.

Sir Hugh Cocke: I shall continue after Honourable Members have finished their speeches. Well, Sir, there was a reference this morning to retrenchment. I do not want to add to the remarks that have been made under that head beyond saying that the small committees which we have been promised on the various Departments are the only effective committees likely to be of use to the House, and, at any rate, although some Honourable Members may be distinctly doubtful whether very much is going to result therefrom, whether there will be a large saving of rupees now or success achieved in effecting future retrenchment from those committees, at any rate, it is another step towards the Honourable Members of this House getting in closer touch with Government Departments.

This morning, Mr. Chetty, referred to the Reserve Bank. In fact that was one of two suggestions made today which attracted my notice; the one suggestion was about the Reserve Bank, that early legislation should be introduced and if possible the Reserve Bank should be created this year. The other important suggestion came from the Leader of the Opposition, and was to the effect that the Honourable the Finance Member's contract should be extended by ten or fifteen years and that he should be placed at the disposal of the country for a much longer period. Both these suggestions, I welcome. As regards the Reserve Bank Bill, I was surprised to hear the suggestion made that that Bill should be resuscitated and introduced again at an early date. But, if it is practical politics, I for my part, should be very glad to see it re-introduced and discussed. The whole question is whether it is practical politics today to establish a Reserve Bank. But it was very satisfactory to note that Mr. Chetty was willing to give up that indirect control by the Legislature which caused the old Bill to fall. I think Pandit Madan Mohan Malaviya, if I may say so in his absence, was one of the principal exponents of the right of the Legislature to be represented on the Board of that Bank. I remember in Simla presiding over an *ad hoc* committee for the whole of a Saturday to try to find a way out of the difficulties in connection with the Directorate of the Reserve Bank and in the end, as everybody knows, nothing was effected and the Bill fell on that rock.

On the subject of kerosene, to the suggestion made by Mr. Chetty. I would only like to say this, that departing from the old policy of the difference between the excise and the import duty is rather a serious matter for the indigenous companies, and assuming that the price remained the same, it would, of course, affect the return which the country would get from income-tax and super-tax. That, possibly, is a subsidiary point. But, anyhow, it is reversing a policy which has extended, as was pointed out, over a very long time.

Mr. Mudaliar, when he was half way through his speech, said that he would now turn to the Finance Bill, but instead of that he caught sight of the Government Gazette and proceeded to read announcements from that for some little time including rules about promotion, allowances, etc. He said that he had no knowledge at all of notifications, as regards allowances, promotions, etc. Therefore, I think he was particularly brave to embark upon the field he did, and, so far as I am concerned, he failed to convince me that any of those notifications was necessarily an extravagance or even an increase in expenditure. If I tell him that I increase my employee from Rs. 50 to Rs. 100 a month, he would proceed to lecture me at great length at the rash extravagance on my part, at this particular time, but if, when he finished his lecture, I pointed out to him that one of my employees earning Rs. 300 a month had just died, it would rather take away the gist of his argument. Therefore, to pick out statements like that out of the Gazette seemed to me peculiarly unconvincing and I have no doubt they can all be explained.

I regret very much that the custom still prevails,—I suppose it is unavoidable—that this long and rambling discussion should take place on the second reading of this Bill, in view of the fact that many of us already have had an opportunity of discussing the financial situation generally in the Budget discussion. I came down to the House today prepared to move the closure, but I found the big guns were going to get started and that it would be quite impossible. It seems to me that in these debates, people on the back benches should as far as possible give points to their leaders and one or two, or at the most three speeches from the larger groups, and perhaps one each from the smaller groups, would be a very much more effective and business-like arrangement than that which already exists. I know the difficulties in India cannot be compared, for instance, with England. Here you have Members from different Provinces, who all want to have their say, and you have different communities. At the same time, I do regret that these debates should go on for so many days . . .

Mr. C. S. Ranga Iyer: Is the Honourable Member aware that in England the House of Commons sits for more than nine months in the year, whereas this Legislative Assembly, taking both the Simla and the Delhi Sessions into consideration, does not sit for more than 3½ months or four months and also that private Members of the House of Commons as well as Party Members have greater opportunities of expressing their opinion than Party Members and private Members in this House.

Sir Hugh Cocke: The interjection of the Honourable Member is very interesting and to a very large extent true. But, it does not get away from what I was saying that I think there should be more cohesion in parties, more arrangements under which Leaders ventilate the views of the general body.

Mr. C. S. Ranga Iyer: Back benchers have as great a chance in the House of Commons as other Members, and perhaps much greater chance there than here.

Sir Hugh Cocke: That brings me to another point which I would just like to touch upon, and that was the point raised by the Leader of the Opposition, that the House was not summoned earlier.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): It is for the President to decide.

Sir Hugh Cocke: The Leader of the Opposition made a remark in the Assembly this morning that the Assembly was not summoned earlier, after the election, and Sir Lancelot Graham pointed out that that was a matter for the Governor General and not for the President.

I merely want to say this, that no legislature can carry on the executive; no doubt the Government would have called together the Assembly earlier if they had considered it necessary but I think that in all the circumstances of the case it would not have been very helpful either to this House, and certainly not helpful to Government had that been done. Sir, I have no wish to take up the length of time which certain other Members have indulged in, and I beg to say that, subject to certain modifications in the Income-tax which we wish to effect with the help of the Benches opposite, we are in favour of this Bill now being taken into consideration.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Mr. President, I will first apologise to you and to this Honourable House and ask you to forgive me if I do not traverse the whole field of the administration of the Government of India. I propose on this occasion to confine my attention to the Finance Bill. I think my Honourable friend, Sir Hugh Cocke, showed—may I say—unnecessary irritation at the very long speech and amusing speech, he will admit, of my Honourable friend, Diwan Bahadur Mudaliar. Now, I happen to be in a position not only to be able to sympathise with my Honourable friend, the Diwan Bahadur, but to a certain extent, to be able to sympathise also with the Government Benches. Sir, I would appeal to him and to all Honourable Members opposite to realise the difficulties of the non-official Members. I have suffered under those difficulties very often indeed, and when I had the privilege of sitting on the official Benches in my own province, I was able to sympathise with the Opposition Benches. And, Sir, I found that it not only paid Government but it cut short the discussion considerably if Honourable Members of Government—not always the Finance Member—got up after a speech like that one just delivered by my Honourable friend and pointed out shortly where the speaker had gone wrong. Now, Sir, I do desire to point out to this Honourable House one great difference that I have noticed between my Honourable friends opposite and my Honourable friends who occupy the Treasury Benches in the provinces. There they make it a point to get up and speak—one Honourable Member from the Government Benches,—after one or two Honourable Members from the Opposition Benches have spoken, and put matters right. But here day after day speeches go on being made by my Honourable friends and not a word from Government. There is not a word to say that the Honourable Members here have made a mistake. They go on labouring under that mistake; and what is more, other Members who again rise continue with those mistakes, if mistakes they are. Why not then remedy the position by asking an official Member, not always the Finance Member—there are plenty of Honourable Members behind him—to get up and speak now and then, and I am sure the House will not grudge the time. Sir, the keen eye of my Honourable friend here, the Diwan Bahadur, who searched through Gazettes for examples of, I will not say extravagance, but of want of foresight towards economy, has not caught what I consider the extravagance on the

part of Government exhibited in this very House. My Honourable friend, the Finance Member, has got behind him official Members specially sitting on the back Benches, coming from the provinces, holding very responsible posts in those provinces, and deservedly drawing very high salaries. What use do Government make of these Honourable Members? Are they here as logs of wood to put up their hands and vote? What are they doing here in Delhi for two or three solid months drawing 2,500 or 3,000 rupees a month? Are they merely here to vote?

The Honourable Sir George Rainy (Leader of the House): Sir, is the Honourable Member in order in casting aspersions upon his fellow-Members in this House?

Sir Cowasji Jehangir: I am casting no aspersions at all.

Mr. President: Honourable Members are aware that no one can cast aspersions on his colleagues, but I am not satisfied that so far 4 P.M. any aspersions have been cast.

Sir Cowasji Jehangir: I find no fault with the Honourable Member. I find fault with the Treasury Bench for not making use of those Honourable Members. What I have been complaining of is that Members of Government do not get up and explain things. We cannot expect the Finance Member constantly to get up and explain them. After all he is human. It is bad enough to have to sit down for three long days in one's seat, sometimes alone on the Treasury Bench (Laughter) without having to jump up and give explanations on everything. But you find capable first-class Civilians sitting down in a row behind, not saying a word throughout the Sessions. Why bring them here, may I ask? Have some *pattawallas* to vote with you and let these Honourable Members go back to their provinces and work. I daresay they may have supplied the Finance Member with valuable statistics; they may have supplied him with valuable information, but we are not aware of that. All we see is these Honourable Members sitting here, drawing very high salaries and doing nothing. Not that they come here because they like to come here; not that they come here—I am certain—because they want to come here and do nothing. It is the system of Government which is extravagant. It is only an instance, and I emphasise it because I have noticed a great difference between the part played by such Honourable Members in my own local Legislative Council and the part played here. There they are of the greatest assistance to Government Benches.

Well, Sir, now let me just come to the Finance Bill. I beg to be excused for having drawn attention to what I really consider to be a little extravagance. Sir, it has been very often said that the ordinary man in the street tests the question of economy by the total amount he is called upon to pay and the total amount of the expenditure. It has been pointed out that, notwithstanding all the efforts made by my Honourable friend, the Finance Member, his expenditure is nearly the same for the coming year as in the present year; and what is more, that during this current year, from the beginning of which it was realised by every one of us and I am certain by every Member of Government, that this year there was going to be a deficit Budget and we were passing through a crisis, we find that the expenditure has gone up by nearly a crore and a half as shown by the Budget estimates and the revised estimates. Now, Sir, we who are

[Sir Cowasji Jehangir.]

called upon to pay surely are only human like my Honourable friends opposite, and if we do express our resentment, surely we have some justification. In the current year, a year in which I repeat everybody was aware of the fact that we must have a deficit, the expenditure goes up between the original estimates and the revised estimates by a crore and a half. Between the revised estimates and the estimates for the coming year there is retrenchment of 55 lakhs. That is the sum total of retrenchment on paper. I have no doubt that my Honourable friend, the Finance Member, made Herculean efforts even to produce this difference of 55 lakhs, and that if he had not done so, the expenditure would have leapt up by leaps and bounds and there would have been a much greater deficit. But we are not satisfied: it has been so often repeated that I am certain my friend is sick of hearing it—we are not satisfied that sufficient efforts have been made. His retrenchment of 170 lakhs, in the Army Budget, with due respect to him, has been more or less exploded. It is certainly less by 170 lakhs so far as this one year is concerned; but it is not retrenchment; it is deferred payment to a great extent. Then he takes advantage, and rightly too, of lowered prices in certain cases, but he warns us that the figures may go up again. It is difficult, therefore, for us to accept readily all the drastic proposals that he has suggested.

I am not going to weary the House for more than three or four minutes, as I am certain there are more Honourable Members wishing to speak. I will come straight to the point. Your revenue is derived under two main heads: tax heads revenue and non-tax heads revenue. Tax heads revenue for 1931-32 is Rs. 86 crores 38 lakhs. They include customs, income-tax, salt and opium. It is on these heads that all the burden is to be placed. It comes to either 17 per cent. or 20 per cent. of increased taxation. No other head is touched. Under income-tax you have lumped it on with a heavy hand and certain of the highest incomes will have to pay 35 per cent. of their income in income-tax alone. Add to this provincial taxation, local taxation: how are you different from any country in Europe? And if you are no different from any other country in Europe, will the Treasury Benches tell us whether they are offering the people of this country the same amenities of life that European countries are offering? (Opposition Cheers.) Have we got the same hospital accommodation? Have we got the same sanitation? Have we got the same roads? Have we got above all the same educational facilities that are given by Government to the public in European countries? And you desire this year to raise our taxation to European standards. Have we not a right to ask that, if we are to pay, let us at least believe that we are getting our money's worth? When Honourable Members in the old days complained that life in this country was different to life in Europe, that Government did much more for their people in Europe than they did in India, the answer naturally was "Compare your taxation: you are paying much less". Now, when you call upon us to pay taxation on the same scale as European countries, are you offering today any further amenities to what you offered last year? No. And if a big hole is to be made in our pockets and we are asked to retrench—the clerk on Rs. 200 or 300 a month up to the richest man in his daily ordinary life,—may I ask Honourable Members opposite whether we have not got the right to claim that you set the example first and then ask us to follow? (Opposition Cheers.) You ask us to set the example and retrench in our own homes, and you

say you will follow the example later. You are reversing the order; and the Honourable Members on these Benches are not going to stand it, that is all. Set an example. Retrench and then call upon us to make good the deficit. (Cheers.) We are prepared to do so. But to put on taxation, lump it up, and ask every one of us here to retrench in their ordinary expenditure and make no effort yourself is not a fair proposition to place before any Honourable House. I quite sympathise with the Honourable Member when he suggests a committee as the best thing he can do. All I can say is that now that he has included the Army in the investigation, there seems to be some prospect of success; but it is very much like trying to find out a new source of water supply when your house is on fire. It may take two or three years before you find it. By that time the house is sure to be burnt down.

I wish to say this, Sir. There is no sense of want of responsibility on this side of the House. If there is any, it is infectious, it comes from the other side. (Laughter.) There is a want of responsibility on the other side. How can you then complain in these times if we say, we can do no better. From what little I know of my Honourable friends here, I believe them really to be very reasonable. They are prepared to meet the Government if the Government is prepared to meet them. Will Government show that they are bent on retrenchment? And in anticipation of that retrenchment are they prepared to make a substantial cut in their Budget? If not, you must not blame this side of the House with want of responsibility. We shall walk into the lobby and make a substantial cut; the onerous duty of having to certify will be on the shoulders of others who are not responsible. I do not wish to place anybody in that onerous position: but at the same time I must see that justice is done to the people whom I have the honour to represent in this House. I am not going to allow them to be taxed out of existence in these difficult and trying times in the history of their lives. I am not going to allow my people to be taxed in a way that will prevent them from recovering and be told that I am showing a sense of responsibility. I would rather be irresponsible, absolutely and completely irresponsible, but do my duty as a representative of the city which has sent me here. Under those circumstances I cannot possibly vote for the taxation that has been proposed. But I personally—and I am sure many of my Honourable friends here—are prepared to meet the extraordinary situation that has arisen. We ask for the co-operation of the Benches opposite. My friend, Diwan Bahadur Ramaswami Mudaliar, was right when he said that we have seen no sign of that co-operation up to now. Let us hope that we shall see it a little later on. If we do, you may be assured that Honourable Members here will be only too glad to welcome such co-operation. If it is not forthcoming, all I can say is: do not charge us with irresponsibility; realise that the irresponsibility is infectious: it has come from across the floor of the House.

Mr. S. C. Shahani (Sind: Non-Muhammadan Rural): Sir, I must thank you for giving me an opportunity

Mr. President: Before we proceed I should like to say one word. This is the third day that this debate has been going on. As many Honourable Members still wish to address the House, I hope that those Honourable Members who may catch the eye of the Chair will be very brief.

Mr. S. C. Shahani: I am much obliged to you for giving me an opportunity to take part in this general debate on the Finance Bill. I would not begin without congratulating most heartily my friend, Mr. Chetty, on his delivering a true budgetary speech. I would proceed now without any further comment to make my contribution to the general discussion.

Sir, a lot has been said with regard to the estimated heavy expenditure, but very little has been said about the inadequacy of the amount that will be devoted to the nation-building departments, particularly, Education. I have been engaged in the work of education all my life. I would like to make a special point of referring to what has so far been done in the Department of Education. But before I do so, I would like very much to point to some of the defects in the procedure adopted in the Assembly on account of which the necessary budgetary criticism has not been evoked in the case of the Finance Bill. I have seen that in America a very good procedure is being followed. Their year begins in July, and they start the consideration of the Budget in December, that is to say, about six months before their year ends. Now what do we do here? About 84 Demands were disposed of in four days. I think on an average if 12 speakers take part on each Demand, and if 10 minutes are devoted to each speaker, it should take about 21 days to dispose of the Demands. I see that the Governor General has the power to devote 15 days to the consideration of Demands (Rule 46), and yet only 4 days were fixed for the consideration of these Demands. The whole of the Budget, both on the side of Receipts or on the side of Expenditure, is being dealt with in a somewhat lightsome spirit. I should not hesitate to give expression to all my views in regard to the Budget. * [] .

I will read a passage from the American Year Book which shows how the Americans regulate their estimation of receipts and expenditure.

"President Coolidge was much concerned about the fiscal condition of the Government at the beginning of the period covered by the 1929 budget which estimated receipts of \$3,707,000,000 and estimated expenditures \$3,801,000,000. About two months after the opening of the 1929 budget period, General Lord, the Budget Director, estimated that the period would end with a deficit of over \$94,000,000. This was bad news in view of the national campaign which was then starting. But General Lord was frank about it. Two days later President Coolidge told the newspaper reporters that he was disturbed by the looming deficit and that he would cope with it by cutting down the expenses of the Government. He announced that he would summon the department and bureau heads and demand that they reduce expenditures, but the situation began to look brighter, so things were allowed to run along about as before".—

and no necessity arose for it. The Americans insist on adopting in regard to expenditure a policy of "Pay as we go". This is their phrase which we all might very well bear in mind. It is further stated in the Year Book that,—

"The preceding year's surplus was estimated at slightly under \$37,000,000, but according to custom it was not included as a means of financing the budget of the succeeding year. While the 1930 budget was approximately within the total expenditure limit fixed by President Coolidge, it did not take into account the additional and deficiency appropriations of 1929 and prior years which Congress was called upon to make. One may wonder how these increased expenditure requirements are to be met, assuming that the revenue estimates contained in the President's Budget represents fairly accurately the future income of the Government. As a matter of fact,

* [] This portion of the speech was expunged by the subsequent direction of the House (vide p. 2534 of these Debates).

the actual receipts have been underestimated every year since the budget system was inaugurated. Usually the receipts have been 7 or 8 per cent. above the estimates; in the 1924 budget they were as high as 16 per cent. above the estimates and in the 1925 budget they were as low as 2 per cent. above the estimates. . . . This continuous underestimating has been the subject of some criticism. There are evidences that Congress has lately come to regard the revenue estimates in the budget as being so conservative that it may exceed them with impunity in making appropriations. This may lead to a serious state of affairs in the finances of the Government. Recent changes in the tax laws add to the difficulties of accurate estimating, but it would seem possible to prepare revenue estimates which would approach the actual receipts to within 5 per cent. and keep Congress to this figure."

Sir, I have read out these passages to show that the Americans are very mindful of their estimates of receipts and their estimates of expenditure. Their receipts are estimated in a manner which does not allow variation from the actuals to the extent of more than 5 per cent. Sometimes, the variation has come to 16 per cent. but then, this much variation has been viewed with disfavour on account of its engendering a tendency on the part of the heads of departments to propose appropriations which would be much in excess of the amounts which should be fixed for them. A surplus which accrues to the American Exchequer in any year is never applied to the deficit that may occur in the succeeding year, but expenditure is kept under control. The President takes a special interest in seeing that the expenditure in no manner exceeds the receipts. The military expenditure of the American States never exceeds one-sixth of their total expenditure, whereas our military expenditure here is, even taking the expenditure at a low annual figure of Rs. 50 crores, more than one-third the total expenditure. I spoke just now of Rs. 50 crores per year for the military expenditure. The other day, when I sought to examine the correctness of the statement which was made by the Honourable the Finance Member with regard to the effect of the lengthening of the period of stabilisation, I said that instead of a saving of Rs. 1,70,00,000 in 1931-32, as calculated by the Finance Member, the expenditure during 1928-29 to 1933-34 would actually go up by Rs. 1,70,00,000; that according to my calculation, at the end of 1933-34 without the lengthening of the period of stabilisation the total military expenditure from the year 1928 would have amounted to Rs. 320 crores (55 crores each year for four years ending 1931-32 and 50 each year for 1932 to 1934) and that according to the estimate which was made by the Honourable the Finance Member the expenditure would amount to Rs. 321.70 crores. The Honourable the Finance Member got up to enquire from me as to where I had got my figure of Rs. 50 crores in my calculation from. I could not quote chapter and verse then, but subsequently I have been able to spot the passage in the Explanatory Memorandum on which I had based my calculation; and I shall quote it in order to show that the calculation which I put forward is the correct one. I am referring to page 29 of the Explanatory Memorandum, paragraph 3.

"The Indian Retrenchment Committee, after their exhaustive examination of every aspect of military administration, recommended that the net budget for 1923-24 should be fixed at Rs. 57½ crores, subject to such addition as would be necessary on account of the delay which must necessarily ensue in carrying out the proposed changes, and in order to meet special expenditure in Waziristan, etc. In their final review of military expenditure, they envisaged further large automatic savings and they considered that, in subsequent years, expenditure would be susceptible of reduction to Rs. 57 crores and ultimately to Rs. 50 crores provided a further fall in prices took place."

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It would seem that in each year from 1923-24 the expenditure has been below the Retrenchment Committee's figure of Rs. 57 crores. In 1927-28 it stood at Rs. 54.79 crores. I have got to point out that the prices have fallen and fallen phenomenally. I have also to point out that on account of the exchange ratio of 1s. 6d. less has to be expended upon payments that are made in England in the Military Department, and that has meant a large saving. If you look into paragraph 5, you will see:

"In each year from 1923-24, the expenditure is well below the Retrenchment Committee's figure of Rs. 57 crores. It will be realised that, with the heavy commitments for expenditure in England which are provided for in the Military estimates, a considerable part of the reduction below Rs. 57 crores is attributable to the present rate of exchange, the Retrenchment Committee having worked on a basis of 1s. 4d.=1 Re."

Having said this much, I would deal with the main point which I wanted to make on the floor of this House, namely, that enough is not being devoted to education. I find that only about Rs. 18 lakhs are devoted to education by the Central Government, which works out at 14 per cent. of the total expenditure. Now, the Provincial Governments are devoting a part of their receipts to education, but the percentage of that too would not exceed the percentage that is being devoted to education by the Central Government. I find that on public health 10 per cent. of the total expenditure is being spent; and on industry 01 per cent. On the whole, no more than 25 per cent. is being devoted to the nation-building departments. The American expenditure on Education alone comes to 39 per cent. of their total expenditure. My Honourable friend, Raja Bahadur Krishnamachariar, said that the average income of an agriculturist was very low, and that ways and means had to be found to increase his income. The average income of the people of India is only about Rs. 6 to Rs. 8 per month per head. It would be Rs. 6 according to some economists, and it would be Rs. 8 according to others. It goes without saying that the amount of Rs. 6 or Rs. 8 per month could never help anyone either in the country or in the city to secure for himself and his family any real growth and development. Education is the only real way and means for raising the average income of the Indians. I would like to make the most of this opportunity. In the matter of education, I would leave primary and secondary education. I would at once refer to what is being done for the Delhi University. In 1922 this University was inaugurated. It was stated in the objects attached to the University Bill—I was in the Assembly then—that the University would be unitary, teaching and residential. The University has not become unitary, although nine years have gone. The colleges continue units both of lecture work and tutorial instruction. I can only say that some attempt is being made at inter-collegiate work in the two colleges at the Kashmir Gate, but beyond that neither the lecture work nor the tutorial work is really university. Each College works as a unit by itself, and there is practically no control of the University. The University has not become a teaching university either. Only three readers have been appointed instead of six, two in science and one in economics. Nothing beyond that has been done. I also see that the Faculties of Commerce, Medicine, Technology and Fine Arts, which were intended to be started long ago, have not yet been started. I also see that the University has not become residential. The

biggest College in Delhi has its hostels in hired premises and the Law College is also housed in unsatisfactory hired premises. The offices and the library are situated at a considerable distance from the College and their hostels. Not only that. The laboratories are situated in hired flats adjoining Davicos tea rooms and dancing halls and are unworthy of even good colleges. The University has not been in these nine years made unitary or teaching or residential. And then the grant which is being given to it is not even one-sixth of the grant that is given to Lucknow or Allahabad University by their Provincial Governments and it is less than one-fourth of Dacca. Even the Benares and Aligarh Universities are getting more from the Central Government than the Delhi University, for which the Central Government are directly responsible. Not only that; the Raisina site for the University has been cancelled by an executive order. A Finance Committee was appointed some three years ago to inquire into the financial condition of the University and to advise the Government on educational affairs. No educational expert sat on it, and many of the recommendations that were made by this Committee were inconsistent with the recommendations of the Sadler Commission, which is undoubtedly an authoritative Report. But even the recommendations that were made by this Finance Committee have not been given effect to. A policy from every point of view of drift and indifference is being pursued and I would request the authorities to look into the matter as early as possible. I have not much time at my disposal. Otherwise I should have liked to talk about the board that has been appointed for secondary education for Delhi. Naked autocracy, so far as I can see, rules in the case of all matters pertaining to Delhi. The Land Alienation Act was by an executive order made applicable to Shahdara. I trust that at any rate an advisory council for Delhi will forthwith be appointed, and some days will be allotted in the Assembly to Delhi matters.

Now, I would say just a word with regard to what is happening in Sind. The capacity of the agriculturist to bear the burden of new taxation in Sind is at a low ebb. Sind has suffered from unprecedented rains and floods, and it has recently suffered from an unprecedented large number of gang robberies—not less than 200 in a month and a quarter. I amused His Excellency the Governor of Bombay when he visited Sind and some of the other Sind authorities by saying that, if I had been entrusted with the work of suppressing the gang robberies, I would have found it possible to do so in a week. Now, on account of these gang robberies and floods, the new taxation will operate very heavily upon the people of Sind. Again, at this time it is being proposed that the province should be converted into a separate province. Mr. Layton has told us that 30 to 50 crores would have to spend upon the impending constitutional reforms, and surely a large sum will be spent upon the creation of a separate province. It is very unfortunate that no one represented the Hindus of Sind at the Round Table Conference. The Sub-Committee (Russell Committee) that was appointed to consider the separation of Sind decided that the province should be separated. They have accepted the principle of separation, but I trust that if the findings of the Sub-Committee in the case of Burma come to be revised, a *fortiori* this verdict of the Russell Committee in the case of Sind would be revised. It has been said by the Russell Committee that there has long been an insistency in the matter of advocacy for the separation of Sind. This

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is an absolutely wrong statement. The All Sind Hindu Association and the Panchayats of Sind have been protesting and very strongly protesting against the separation.

Nawab Sir Sahibzada Abdul Qaiyum: Was not the separation movement started by the late Mr. Harchandrai Vishendas, who was also a Member of this House?

Mr. S. C. Shahani: I know the whole thing. I could not be led to believe that Mr. Harchandrai started this advocacy for the separation of the province. The Hindus of Sind have consistently protested against it with the exception of a very few. Even the Muhammadans have been uptill lately against it. Kindly bear in mind that the Muhammadans of Sind have advocated separation only when an outside Muhammadan demand has been made.

Mr. C. S. Ranga Iyer: Hear, hear.

Mr. S. C. Shahani: An attempt is being made to convert Sind into a Muhammadan province, contiguous to Baluchistan, the North-West Frontier Province and the Punjab, to form a belt of pan-Islamic influence.

Nawab Sir Sahibzada Abdul Qaiyum: They want to make Sind a separate province on its own merits

Mr. President: Order, order. I cannot allow the Honourable Member to be interrupted. At a quarter past four he begun addressing the House and I appealed to him to be brief—and it is now nearing five o'clock.

Mr. A. Das (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): I should like to thank you, Sir, for allowing me to say something of a particular nature on behalf of the constituency which I have the honour to represent. At this late hour and after so many interesting, or shall I say also some non-interesting debates on the Budget, I think everybody must be more or less tired of hearing speeches on the Budget; and although I also intended to say a few words on the Budget and the Finance Bill, having regard to the late hour and the soporific speeches which perhaps from the Government point of view were inflicted upon the House but which from our point of view were very enlightening, I will not say anything about the Finance Bill beyond remarking that it certainly does not represent a change of heart. If there had been a change of heart, Sir, I think some really substantial efforts would have been made by the Honourable the Finance Member to meet the deficit in other ways. Sir, I personally look upon the management of the Government in the same light as anyone of us would look upon the management of his own household. If you find income going down, you take drastic steps to reduce your expenditure or to do what you can in order to make the two ends meet. Has the Honourable the Finance Member done the same thing with regard to the Budget, or not? If he has not done so—and the reason is pretty obvious, because we are living under a Government which cannot by its very nature sympathise with all our demands and aspirations—I really pity his position. What can he do? But, if the Government is to be carried on honestly and in the interests of the people concerned, and not in the interests solely or mainly of those who govern it, I think a very different Budget would have been put forward, or at any rate substantial cuts would have been made in the present Finance Bill.

Now, Sir, coming to the special point about which I ask your permission and the indulgence of the House, I want to mention one matter. I represent the Benares and Gorakhpur Divisions. There is a river boundary between Ballia and Ghazipur in the United Provinces and Shahabad and Saran in Bihar. By a notification of the Government of India of 1865 the river Ganges which is also called river Ghagra at some other place, was fixed as the boundary, and from about 1888 down to 1912—which is all the information I can get here in this Manual of Government Orders and Rules both of the Bihar and Orissa and the United Provinces Governments—I find that a number of villages every year have been transferred from one side to the other and back again to the other side. I personally went down to Ballia and saw the Collector of that district and he told me that that was the procedure which under the Government orders had to be carried out every year after the rains to find out which was the deep stream. If the deep stream is on the Ballia side, a number of villages is transferred to the Shahabad side; if the deep stream is on the Shahabad side, a number of villages is transferred to the Ballia side. If it were only a question of territorial jurisdiction, it would not matter much, but some of the Honourable Members of this House may perhaps have been to Ballia and they will realize the position. Sir, the tenancy laws in the United Provinces are very different from those in the province of Bihar and Orissa, where Shahabad lies, and Ballia and Ghazipur districts are permanently settled districts. A number of tenants have secured permanent statutory rights which are transferable, and those rights have been acquired during the course of the last 20 years at considerable prices and have been transferred to other sub-tenants. Now these tenants, being at one time under the district of Ballia and at other times under the district of Shahabad in Saran, are very much affected, and their interests seriously suffer; and therefore what I want to do is to ask the Honourable the Finance Member or those other Honourable Ministers who have the control of this affair to look into this question and see whether it is possible or not to avoid these useless boundary operations being carried on year after year by one officer of each district and in case of disagreement by a joint inquiry by both districts, and to fix instead some such rule by which it may be possible that these poor tenants and their valuable rights will not be transferred from one province to another simply because of the vagaries of the river every year. I offer two suggestions, one is this, that either such boundaries between these two provinces and the adjoining districts should not be distributed for a period of at least ten years, irrespective of whichever side the deep stream of the river lies, or secondly that so far as the river changes its deep stream in a width of about 10 miles or 8 miles, it will not affect the boundaries from one side to the other.

Lastly, when I was at Ballia, it was brought to my notice that about 10 or 12 villages have very recently been transferred from one side to the other. If I take the figures, I think I can almost say that every year once and sometimes twice a year a number of villages and large plots of land have been transferred from Ballia to Saran and back again to Ballia, also from Ghazipur to Shahabad and back again to Ghazipur.

I do not wish to take up much more time of the House than simply to invite the attention of Honourable Members to remove the standing grievances of Ballia and Ghazipur districts on the one side and Shahabad and Saran on the other and do something to alleviate their distress.

Mr. R. S. Sarma (Nominated: Non-Official): Sir the only justification for my getting up this afternoon is the cordial invitation that has been extended to any one of us in these Benches by Mr. Mudaliar to say something in reply to the observations that he and other Members in these Benches made this afternoon.

Mr. Gaya Prasad Singh: He referred to Official Members.

Mr. R. S. Sarma: No, he referred generally to the back Benches.

Mr. Gaya Prasad Singh: I think Sir Cowasji Jehangir did pointedly refer to the officials.

Mr. R. S. Sarma: He may have referred to officials but not Mr. Mudaliar, and I, Sir, want to ask and want to throw out a challenge to the Honourable Members on those Benches whether they can state a single argument, a single statement or a single constructive suggestion that any of those speakers made during the last three days which they have not made on the day of the Budget discussion and which have not been replied to by the Honourable the Finance Member.

Mr. B. Das: That is a libel.

Mr. R. S. Sarma: Sir, it may be a libel or anything of the kind. Sir, if it is true and is still a libel, I would rather say that I plead guilty and I am saying something libellous, but I put it to the Honourable Members that not a single argument has been advanced and not a single suggestion made except those that were made on the day of the Budget discussion and have been answered by the Honourable the Finance Member. The only one swan song or parrot cry of the Honourable Members opposite was on the theme of retrenchment. I remember, Sir, the other day when the Honourable the Finance Member said what he had to say on that subject, and added that he was going to have a Retrenchment Committee and was going to add the Military Budget in the terms of reference, he was rightly and readily applauded by the Members of the Opposition, and I really do not know what there is to reply to more than what he said on that occasion.

Secondly, Sir, my Honourable friend, Sir Cowasji Jehangir, with a warmth which was worthy of a better cause, asked why these brilliant Members of the Indian Civil Service and Members of the Provincial Services were brought from their homes for two or three months in the year and made to sit quiet on these Benches only to raise their hands. I do not know myself about this, Sir; and I have been trying to find out myself, why it is so, for some time. The Government have not taken me into their confidence, but I have some sort of secret suspicion that these gentlemen, brilliant as they are, must have committed some sort of slight sins in their past lives, and a merciful Providence, probably, as a sort of mild punishment ordained that they must come here and sit listening to the sort of speeches that they have been listening to for the past few days from the Honourable Members on the opposite side.

The Assembly then adjourned till Eleven of the Clock on Friday, the 20th March, 1931.

LEGISLATIVE ASSEMBLY.

Friday, 20th March, 1931.

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

QUESTIONS AND ANSWERS.

GOVERNMENT SUPPORT FOR THE RURAL DEVELOPMENT FEDERATION OF DELHI.

1023. ***Mr. B. Rajaram Pandian:** Will Government be pleased to state:

- (a) whether they are aware that there is a Rural Development Federation at Sitaram Bazaar, Delhi, for the rural uplift of India;
- (b) if they have received any communications praying for Government support;
- (c) if the answer to parts (a) and (b) is in the affirmative, what reply the Government gave them;
- (d) if a reply has been given, whether Government will be pleased to lay the same on the table; and
- (e) if no reply has been given, the reason why?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: With your permission, Sir, I will answer questions 1023 and 1024 together. Government have received a copy of the memorial addressed to His Excellency the Viceroy by the Rural Development Federation on the 25th February, 1931. No action has been taken on it as it would obviously be premature to consider the question of according the Federation any recognition by Government until it has satisfied the Local Administration of its representative character, its status and its ability to carry out the ambitious programme outlined in its memorial.

In reply to parts (d) and (e) of question 1024, I would point out to the Honourable Member that the promotion of rural uplift work is primarily the responsibility of Local Governments and Administrations. The action they have taken on the recommendations made by the Royal Commission on Agriculture on this subject has been stated in the Report on the progress made in giving effect to the Commission's recommendations generally, a copy of which is available in the Library of the House.

GOVERNMENT SUPPORT FOR THE RURAL DEVELOPMENT FEDERATION OF DELHI.

†1024. ***Mr. B. Rajaram Pandian:** Will Government be pleased to state:

- (a) if it is a fact that the Rural Development Federation at Sitaram Bazaar, Delhi, submitted a memorial to His Excellency the Viceroy on the 25th February, 1931;

†For answer to this question, see answer to question No. 1023.

- (b) if the answer to part (a) be in the affirmative, whether Government approved their plan of action;
- (c) what support Government propose to give to that movement;
- (d) whether Government are going to take into consideration the rural uplift work; and
- (e) what line of action they propose to take and when?

REGULATION OF THE PRICE OF FARM PRODUCTS.

1025. ***Mr. B. Rajaram Pandian:** (a) Are Government aware that there is fluctuation in the markets for all the home-farm products?

(b) Do Government propose to regulate the price?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Yes.

(b) No. Price fixing operations in other countries have completely failed to achieve their object and have only accentuated the present depression in the prices of agricultural commodities.

APPOINTMENTS IN THE CENTRAL PUBLIC WORKS DEPARTMENT, DELHI.

1026. ***Haji Chaudhury Muhammad Ismail Khan:** (a) Will Government be pleased to state the number of Muslims and Christians fixed against the posts of 54 assistants in the Central Public Works Department, Delhi?

(b) What steps are being taken to satisfy adequately the claims of minority communities?

(c) Is it a fact that certain routine clerks have been treated as assistants, such as Messrs. Tej Kishan, Sahab Dial, etc., whereas those actually performing the duties of assistants for a number of years have been ignored?

(d) Will Government be pleased to state the educational qualifications of the seven Superintendents and 54 assistants?

Mr. J. A. Shillidy: (a) Of the total number of 56 assistants in the Central Public Works Department, 10 are Muslims and one an Indian Christian.

(b) In making new appointments, due consideration is given to the adequate representation of minority communities.

(c) The assistants mentioned have been classed as such by virtue of length of service, and rate of pay which they have earned by gradual promotion. The cases of those who are actually performing the duties of assistants have not been ignored. They too will rise to the same status if and when they have put in the same length of approved service.

(d) Government do not consider that any useful purpose would be served by supplying the information asked for.

PAY OF CERTAIN CLERKS IN THE CENTRAL PUBLIC WORKS DEPARTMENT, DELHI.

1027. ***Haji Chaudhury Muhammad Ismail Khan:** (a) Will Government be pleased to state the reasons for differentiation in fixing the pay of Messrs. Harbans Lal and Jang Bahadur (both being graduates) in the Central Public Works Department?

(b) Is it a fact that certain under-graduates (Hindus) having no previous experience were appointed in the Central Public Works Department, Delhi, on Rs. 72 p.m., while certain Muslim graduates were appointed on Rs. 60 p.m.? If so, will they please state the reasons?

Mr. J. A. Shillidy: (a) The reason is that the person first named was appointed to a purely temporary vacancy of a special nature, while the second man was appointed to the regular clerical establishment on the ordinary minimum rate of pay.

(b) Yes, but Muslims also have been appointed on the higher rate of pay.

CONTRACTS FOR WORK IN CONNECTION WITH THE INAUGURATION OF NEW DELHI.

1028. ***Haji Chaudhury Muhammad Ismail Khan:** Will Government please say whether it is a fact that:

(i) no contract was given to any Muslim contractor in connection with the formal inauguration of New Delhi;

(ii) that S. Bahadur Singh, Sub-Divisional Officer in charge, had recommended his own men for giving contracts in connection with the inauguration work; if so, what are the reasons?

Mr. J. A. Shillidy: (i) The answer is in the negative.

(ii) S. Bahadur Singh had nothing to do with the giving of the contracts. Tenders were called for and received by the Officer on Special Duty and disposed of by the Superintending Engineer.

RELATIVES OF GOVERNMENT SERVANTS INVOLVED IN A BOMB CASE.

1029. ***Haji Chaudhury Muhammad Ismail Khan:** Will Government please say whether it is a fact that the nearest relatives of certain subordinates were involved in the New Delhi Bomb Case? If so, what steps have been taken to warn such Government servants?

The Honourable Sir James Crerar: I am ascertaining the facts and will let the Honourable Member know the results in due course.

CONDITIONS OF TRANSFER OF GOVERNMENT EMPLOYEES FROM THE PUBLIC WORKS DEPARTMENT TO THE NEW DELHI MUNICIPAL COMMITTEE.

1030. ***Mr. N. N. Anklesaria:** (a) Is it a fact that some of the local activities of the Public Works Department relating to electricity, roads conservancy and health are being transferred and placed under the control of the New Delhi Municipal Committee? If so, from what date?

(b) Will Government be pleased to state how it is going to deal with the present Government employees of these Departments under transfer to the New Delhi Municipal Committee?

(c) Will their services be placed at the disposal of the Municipal Committee on foreign service conditions or will their services be dispensed with by Government and then be placed at the disposal of the Municipal Committee for re-employment?

(d) Are there any safeguards provided by the local Government at Delhi for the stability of the Municipal services in Delhi on the lines of those for Government servants?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Government decided to transfer certain services from the control of the Public Works Department to the New Delhi Municipal Committee on the services of a whole-time President of the Committee being available.

(b) and (c). The matter is at present under consideration.

(d) The Local Administration of Delhi has framed rules under section 240 (n) of the Punjab Municipal Act, 1911, regarding the dismissal of municipal employees and other matters. A copy of these has been placed in the Library of the House.

DISCIPLINARY ACTION AGAINST CERTAIN EMPLOYEES OF THE NEW DELHI MUNICIPALITY.

1031. ***Mr. N. N. Anklesaria:** (a) Is it a fact that the New Delhi Municipal Committee lately considered at one of its meetings, with reference to section 45 of the Punjab Municipal Act, certain cases of municipal permanent employees, with a view to removing them from substantive appointments without any charge or finding but merely on the report of the Secretary?

(b) If so, are Government aware that this move on the part of the Committee or its Secretary has caused dissatisfaction in the services of the Municipality and panic among those Government employees whose services under the new scheme are going to be transferred to the New Delhi Municipal Committee?

(c) If the reply to part (b) above is in the affirmative, will Government be pleased to state what steps the local Government, Delhi, propose to take to remove such dissatisfaction and misapprehensions on the part of the Municipal servants as well as on the part of those who will, under the new scheme, be transferred to the Municipality?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Government understand that the case of certain employees is under the consideration of the New Delhi Municipal Committee. The appointment, discharge and dismissal of officers and servants in the employment of the New Delhi Municipal Committee are governed by sections 38 to 45 of the Punjab Municipal Act, 1911, which applies to Delhi. Government have no doubt that any action taken by the New Delhi Municipal Committee will be in accordance with the prescribed procedure.

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

TERMINATION OF SERVICES OF EMPLOYEES OF THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

1032. ***Mr. Muhammad Azhar Ali:** (a) Will Government please inquire and state whether it is a fact that clause 2 of the service agreement of a Bombay, Baroda and Central India Railway employee in the traffic department lays down that an employee's services may be terminated without notice on payment of one month's salary?

(b) Will Government please place on the table of the House a list of the Bombay, Baroda and Central India Railway employees whose services were terminated under clause 2 of the agreement referred to in part (a) from January, 1929 to June, 1930, stating in each case (i) the name and

address of the employee, (ii) the designation and grade of pay of the employee, (iii) the date of termination of service, (iv) the total length of service, (v) the designation of the officer who ordered the termination of service, (vi) the reason for the termination of service, and (vii) whether the reason for the termination of service was or was not communicated to the employee?

(c) Is it a fact that the Bombay, Baroda and Central India Railway authorities have, in most cases, utilised the clause referred to in part (a) in terminating the services of employees who have put in many years' services?

(d) Is it a fact that in cases of *termination* of services under the clause under reference the Bombay, Baroda and Central India Railway authorities have not communicated to the employees concerned the *specific reasons*?

(e) Is it a fact that whenever any employee has requested the said Railway authorities to inform him of the reason or cause of the termination of the service under clause 2 of the service agreement, the said Railway authorities have done nothing more than to repeat the said clause? If so, are Government aware that the said clause lays down powers of termination of services while the railway authorities have used it as a *reason* for the termination of services?

(f) Are Government prepared to instruct the said Railway Administration to reinstate those employees whose services have been terminated without assigning specific reasons for the termination of their services in the orders terminating their services?

Mr. A. A. L. Parsons: (a) Government have not with them a copy of the service agreement of the Bombay, Baroda and Central India Railway employees in the Traffic Department, but the condition that an employee's services may be terminated without notice on payment of one month's salary is common to the service agreements of subordinate railway employees.

(b) Government regret that they are not prepared to call for this information.

(c) Government have no information, but I am bringing this question to the notice of the Agent.

(d) and (e). Government have no information, but the service agreement of railway employees gives the administration the power to terminate the services of an employee with a month's notice or a month's pay in lieu without assigning specific reasons.

(f) No.

Dr. Ziauddin Ahmad: Are the conditions of service on the Bombay, Baroda and Central India Railway the same as on other lines?

Mr. A. A. L. Parsons: Generally speaking, I think that is so.

APPOINTMENT OF CERTAIN ASSISTANT STATION MASTERS ON THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

1033. ***Mr. Muhammad Azhar Ali:** (a) Will Government please inquire and state whether it is a fact that in December, 1927, and May, 1928, Mr. R. D. Singh, a very junior ungraded Assistant Station Master, and Mr. Moolchand, a junior ticket collector, were respectively ordered to be

appointed to the Assistant Station Master's posts in the superior grade, by the Traffic Superintendent, Bombay, Baroda and Central India Railway, Ajmer, overlooking the rights of the ungraded, A grade, and B grade Assistant Station Masters? If so, will Government please inquire and communicate to the House the rules under which the Railway Administration appointed the said ticket collector and junior ungraded Station Master to the superior grade?

(b) Is it a fact that in accordance with the inter-branch change restrictions a ticket collector is not eligible for an Assistant Station Master's post? If so, why was the ticket collector referred to in part (a) appointed to the Assistant Station Master's post?

(c) Is it a fact that four Assistant Station Masters of Ajmer submitted a joint representation to the Traffic Superintendent, Ajmer, through the proper channel, remonstrating against their supersession by the junior ungraded Assistant Station Master and the ticket collector referred to in part (a)? If so, what steps did the railway authorities take on the representation?

(d) Is it a fact that the Traffic Superintendent, Ajmer, called Babu Munshi Ram, relieving Assistant Station Master, Ajmer, for an interview on the 25th August, 1928, to explain his position regarding the responsibility for the representation referred to in part (c) and transferred him to the Delhi District?

(e) Are Government aware that there was no cause for Babu Munshi Ram's transfer from Ajmer in the Bandikui District to Hissar in the Delhi District ordered on the 28th August, 1928, except that it was to put him to inconvenience by way of punishment for the representation referred to in part (c)? If so, will Government please state the circumstances under which the Railway Administration was justified in punishing him for representation of his rights to his superior officers through the proper channel?

(f) Is it a fact that subsequent to the representation referred to in part (c) the orders for the appointment of the ticket collector referred to in part (a) to superior grade Assistant Station Mastership had to be cancelled?

Mr. A. A. L. Parsons: The question relates to servants of the Bombay, Baroda and Central India Railway Company and Government are not in possession of the information asked for. I will have a copy of it sent to the Agent of the Bombay, Baroda and Central India Railway, who will, no doubt, take any action that may be required.

NAMES, PAY, ETC., OF CERTAIN CLERKS ON THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

1034. ***Mr. Muhammad Azhar Ali:** Will Government please inquire and place on the table of the House a statement showing (i) the name of each clerk in the S. T. section of the Loco. Head Office, Bombay, Baroda and Central India Railway at Ajmer, (ii) the qualifications of each clerk, (iii) the date of appointment with his starting pay, (iv) the present pay drawn by him, (v) his grade and (vi) his annual increment?

Mr. A. A. L. Parsons: With your permission, Sir, I will reply to questions Nos. 1034 and 1035 together. The clerks referred to are servants of the Bombay, Baroda and Central India Railway Company and Government are not prepared to make the enquiry suggested. I will, however, have copies of the Honourable Member's questions sent to the Agent of the Railway.

ALLEGED PREFERENTIAL TREATMENT OF CERTAIN CLERKS IN THE LOCO. HEAD OFFICE, BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

†1035. ***Mr. Muhammad Azhar Ali:** (a) Will Government please inquire and state if it is a fact that the relations of Mr. Mahesh Dass, Head clerk in S. T. section of the Loco. Head Office, Bombay, Baroda and Central India Railway at Ajmer, serving in the said Loco. Department as clerks have been given preference to other persons, in regard to their appointment, salary and increment? If so, why?

(b) Will Government please inquire and state if it is a fact that the relations of Mr. Bankey Behari Lall, the chief clerk of the Loco. Head Office, Bombay, Baroda and Central India Railway at Ajmer, serving in the said Loco. Department as clerks, have been given preference to other persons in regard to their appointment, salary and increment? If so, why?

APPOINTMENTS IN THE CARRIAGE AND WAGON DEPARTMENT OF THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY AT AJMER.

1036. ***Mr. Muhammad Azhar Ali:** (a) Will Government please inquire and state if it is a fact that in the Carriage and Wagon Departments of the Bombay, Baroda and Central India Railway at Ajmer, the relations of the deceased servants of the said Railway Department have been continuously refused jobs there, while outsiders have been freely allowed to get chances of being appointed?

(b) Are Government aware that it is a rule that preferences in appointments should be given to the qualified relatives of the deceased servants of the Bombay, Baroda and Central India Railway as against outsiders? If so, is this rule followed there or not? If not, why not?

(c) Is it a fact that in the Bombay, Baroda and Central India Railway Carriage-shop located at Ajmer, fitters and carpenters are given chances to act as permanent clerks in the said Department while the qualified heirs of the deceased servants of the said Railway are met with flat refusal to get any chance? If so, why?

Mr. A. A. L. Parsons: Government have no information, but I will send a copy of the Honourable Member's question to the Agent of the Bombay, Baroda and Central India Railway for any action that he may consider to be necessary.

FITTERS AND CARPENTERS PROMOTED TO CLERKSHIPS ON THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY AT AJMER.

1037. ***Mr. Muhammad Azhar Ali:** Will Government please inquire and place on the table of the House the list of fitters and carpenters promoted to clerkship during 1929 and 1930 in the Bombay, Baroda and Central India Railway Carriage-shop located at Ajmer with their names, education and qualifications separately?

†For answer to this question, see answer to question No. 1034.

Mr. A. A. L. Parsons: Government are not prepared to make any enquiry, but I will have a copy of the Honourable Member's question sent to the Agent of the Bombay, Baroda and Central India Railway.

NUMBER OF WORKMEN AND MUSTER CLERKS, ETC., AT THE CARRIAGE AND LOCO SHOPS AT AJMER.

1038. ***Mr. Muhammad Azhar Ali:** (a) Will Government please inquire and state (i) the total number of workmen employed at present in each of the Carriage and Loco. Shops, Bombay, Baroda and Central India Railway located at Ajmer and (ii) the number of ticket issuers, muster clerks, and time sheet checkers in each shop referred to above?

(b) Is it a fact that the total number of ticket issuers, muster clerks and time sheet checkers in the said carriage shop is far greater than that of the Loco. shop referred to above? If so, why?

Mr. A. A. L. Parsons: I have called for the information and will communicate with the Honourable Member on its receipt.

PAY OF CLERKS AT THE RAILWAY CARRIAGE SHOPS AT AJMER.

1039. ***Mr. Muhammad Azhar Ali:** Will Government please inquire and state if it is a fact that the present Chief Clerk of the Carriage Shop, Bombay, Baroda and Central India Railway, located at Ajmer has reduced the grade of shop clerks from Rs. 80 to Rs. 75? If so, was any previous notice cancelling the said grade given to the clerks concerned? If not, why not?

Mr. A. A. L. Parsons: Government have no information; the matter is within the discretion of the Agent of the Company to whose notice I am bringing it.

DISCHARGE OF AGHA NOOR-BADSHA, A ZILADAR IN THE IRRIGATION DEPARTMENT, NORTH-WEST FRONTIER PROVINCE.

1040. ***Khan Bahadur Haji Wajihuddin:** (a) Will Government be pleased to state if it is a fact that:

(i) Government of India, Home Department, Resolution No. 37-1389 to 1404, dated the 29th July 1879, requires the Heads of Departments to frame proper charge sheets and obtain defence of the official accused of inefficiency and other charges; and

(ii) similar orders are embodied in Government Servant's Conduct Rules?

(b) If the reply to the above question be in the affirmative, is it a fact that, in reply to question No. 960 asked on the 19th February, 1929, by Mr. Muhammad Ismail Khan (regarding the removal, without enquiry, from the service of one Agha Noor-Badsha, a Ziladar in the Irrigation Department in the North-West Frontier Province), Sir B. N. Mitra informed the House that the charge sheet proceeding was unnecessary because there was a large number of unfavourable reports on his work?

(c) If the reply to part (b) above be in the affirmative, is it a fact that, in disposing of the memorial submitted by the above-mentioned Ziladar, the Department of Industries and Labour informed the Local Administration of the North-West Frontier Province that the procedure laid down in the Resolution mentioned in part (a), item (i), above was not followed in the Ziladar's case, and it should invariably be observed in future?

(d) If so, will Government be pleased to state how they reconcile the rulings mentioned in parts (a) and (b) above, and whether they propose to reconsider the memorial, in which charge sheet proceeding was not at all adopted?

Mr. J. A. Shillidy: (a) (i). Yes.

(ii) No.

(b) Yes.

(c) Government do not propose to disclose the nature of the communications that took place between them and the Local Administration.

(d) The first part does not arise. As regards the second part, Government do not propose to reconsider their orders.

ADMINISTRATION OF RELIGIOUS SHRINES IN THE PESHAWAR DISTRICT.

1041. ***Khan Bahadur Haji Wajihuddin:** (a) Are Government aware that:

(i) under the orders of the Honourable the Chief Commissioner, North-West Frontier Province, the possession of the lands belonging to the shrine of Mian Umar Sahib, situated in the Chamkani village in Peshawar District, was given last year to the Awqaf Committee of Peshawar recognised by Government and registered in 1925;

(ii) against the wishes of the office-bearing members and the people of the country, a separate committee has lately been formed at Peshawar to deal with the affairs of the estate of the shrines under the Presidentship of the Deputy Commissioner, Peshawar, guided by an Indian Assistant Commissioner who assumed the office of the Vice-President of the separate committee; and

(iii) as a result of Government interference in the affairs of the Awqaf Committee there is a general impression prevailing in the country that Government intend to take possession of all charitable endowment properties in the Province?

(b) If the replies to part (a), items (i) and (ii) above be in the affirmative, do Government propose to inquire:

(i) in what special interest of Government officers of Government mentioned above have been permitted to interfere in their official capacity, in the internal affairs of the Society; and

(ii) why they should not be prevented from having anything to do with it in future?

Mr. J. G. Acheson: The Local Administration has been addressed and as soon as a reply is received the information will be supplied to the Honourable Member.

**APPOINTMENT OF MUSLIMS AS CIVIL ASSISTANT SURGEONS IN THE NORTH-
WEST FRONTIER PROVINCE.**

1042. *Khan Bahadur Haji Wajihuddin: (a) Is it a fact that in the North-West Frontier Province the Civil Assistant Surgeons are as follows:

				{	on deputation	.	.	.	.	1
Muslims	.	.	.	9	acting as Civil Surgeon	.	.	.	.	1
					Frontier Muslims	.	.	.	.	4
					non-Frontier Muslims	.	.	.	.	3
										9
Hindus	.	.	.	10						
Sikhs	.	.	.	2						
Anglo-Indian	.	.	.	1						
Total	.	.	.	22						

(b) Is it a fact that about eight qualified M. B. B. S., belonging to the North-West Frontier Province and to the majority community are serving at present in the Province as Sub-Assistant Surgeons?

(c) If the replies to the above questions be in the affirmative, do Government propose to consider the claims of the latter to promotion and have their number increased in the cadre when vacancies in the appointment of Assistant Surgeons occur in future?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Yes, except that the number of frontier and non-frontier Muslims is six and one, respectively.

(b) Yes.

(c) Yes, with due regard to considerations of seniority and efficiency and the claims of members of other communities.

**CLERKS, POSTMEN, ETC., EMPLOYED AT THE GENERAL POST OFFICE,
PESHAWAR CANTONMENT.**

1043. *Khan Bahadur Haji Wajihuddin: (a) With reference to the reply given by Government to Question, No. 169 asked by Mr. S. C. Mitra on the 29th January, 1931, will Government be pleased to state:

(i) the total strength of clerical establishment, postmen and packers serving at present in the General Post office in Peshawar Cantonment; and

(ii) the number of Muslims belonging to the Peshawar Revenue Division among them?

(b) Will Government be pleased to state why persons, who do not belong to the Revenue Division, were employed against the order of the Director General of Post offices in India?

Mr. H. A. Sams: Enquiry is being made and the information will be furnished to the Honourable Member when received.

**ALLEGED RUNNING OF A PRIVATE PRESS AT SIMLA BY THE HEAD CLERK,
GOVERNMENT OF INDIA PRESS, ALIGARH.**

1044. *Mr. Muhammad Anwar-ul-Azim: (a) Will Government be pleased to state whether Government Servants' Conduct Rules prohibit a Government Servant from engaging in private trade or business without the sanction of Government?

(b) Is it a fact that Mr. Ram Sarup, the late Stationery Keeper of the Government of India Press, Simla, and the present Head Clerk of the Government of India Press, Aligarh, owns and runs a private press at Simla known as the Victoria Printing Press without the sanction of Government?

(c) Is it a fact that Mr. Ram Sarup has, from time to time, purchased from the Government of India Press, Simla, printing materials for use in his own press?

(d) Is it a fact that Mr. Ram Sarup made the employees of the Government of India Press, Simla, work in the Victoria Press after office hours?

(e) If the replies to the above are in the affirmative, will Government please state what action they propose to take against Mr. Ram Sarup for breach of the Government Servants' Conduct Rules?

Mr. J. A. Shillidy: (a) Yes.

(b) to (e). Government have no information, but they are asking the Controller of Printing and Stationery to enquire into the allegations contained in parts (b) to (d) of the question.

**MIS-STATEMENT OF FACTS BY CANDIDATES FOR PUBLIC SERVICE COMMISSION
EXAMINATIONS.**

1045. *Mr. Muhammad Anwar-ul-Azim: (a) Is it a fact that in applying for admission to the examination of the Public Service Commission a mis-statement of facts entails dismissal from service?

(b) Is it a fact that Messrs. Afzal Hussain and Lachman Singh, late clerks in the M. G. S. Branch, were forced to resign their appointments or were dismissed from the service because they had mis-stated their educational qualifications in applying for admission to the examination of the Public Service Commission held in 1929?

(c) Is it a fact that Mr. Amar Nath Drown, clerk in the Adjutant General's Branch:

(i) secured admission to the Public Service Commission examination held in 1929 by mis-stating his educational qualifications,

(ii) passed the examination, and

(iii) now holds a permanent appointment in the Adjutant-General's Branch?

If so, will Government please say why Mr. Amar Nath Drown has been treated differently from Messrs. Lachman Singh and Afzal Hussain?

Mr. G. M. Young: (a) Candidates for the examination are required to sign a certificate to the effect that the statements made in the application form are true to the best of their knowledge and belief. If false statements are made by them, candidates who have been appointed would be liable to departmental action and to dismissal if the offence was considered to be sufficiently grave.

(b) Both clerks were holding temporary appointments in the Master General of the Ordnance Branch. As soon as it became known that they had made a false statement about their educational qualifications, one of them absented himself from office and tendered his resignation, and the services of the other were dispensed with.

(c) The case referred to by the Honourable Member is being investigated.

OFFICERS ON SPECIAL DUTY IN THE RAILWAY BOARD'S OFFICE.

1046. ***Dr. Ziauddin Ahmad:** Will Government be pleased to give a statement of officers on Special Duty in each Department including those connected with the Railway Board? Will Government be pleased to mention the purpose for which they are appointed? What are their salaries and what is the probable period of their appointment? What authority or authorities sanctioned such appointments? In case the Officer on Special Duty was already a Government servant, what was the salary of his permanent appointment?

The Honourable Sir James Crerar: A statement giving the information asked for in respect of the Departments of the Government of India including the Railway Board, is being prepared and will be sent to the Honourable Member shortly.

APPOINTMENT OF AN INDIAN SECRETARY TO THE AGENT OF THE EAST INDIAN RAILWAY.

1047. ***Dr. Ziauddin Ahmad:** Is it a fact that the Agent of the East Indian Railway declined to have an Indian Secretary? Will Government be pleased to lay the correspondence on the table? Did the Member in charge of establishment write a note of dissent?

Mr. A. A. L. Parsons: The answer to the first part of the question is in the negative, the other parts therefore do not arise.

Dr. Ziauddin Ahmad: Am I to understand that the Agent did not refuse to take an Indian as Secretary?

Mr. A. A. L. Parsons: Yes, Sir; that is what I said.

TRANSFER OF RAILWAY OFFICERS.

1048. ***Dr. Ziauddin Ahmad:** (a) How many officers of the East Indian Railway drawing a salary of Rs. 1,500 or more were transferred to other State Railways since April 1926? How many of them are still in service?

(b) How many officers drawing a salary of Rs. 1,500 or more were transferred from other Railways to the East Indian Railway during that period?

Mr. A. A. L. Parsons: (a) Five; of these four are still in service.
(b) Eight; of these one is on leave preparatory to retirement.

DACOITIES IN CLERKS' QUARTERS IN NEW DELHI.

1049. ***Mr. R. K. Shanmukham Chetty:** (a) Is it a fact that a dacoity has been committed on the 9th March, 1931, in the house of a Government of India servant residing in Edward's Square, New Delhi?

(b) Is it a fact that the dacoits were armed with pistols and small fire-arms?

(c) Is it a fact that a similar dacoity took place a few weeks before in an unorthodox quarter in Market Road, New Delhi?

(d) If so, will Government be pleased to state the steps they have taken to prevent such occurrences from time to time in the Government of India headquarters?

(e) Are Government aware that these armed dacoities in the residences of Indian clerks are committed owing to the absence of small fire-arms in their houses?

(f) Is it a fact that licences for small arms are refused even to Government servants paying income-tax? If so, do Government propose to take immediate steps to issue licences for small arms liberally on the recommendations of the heads of Departments under whom these Government servants work?

The Honourable Sir James Crerar: (a) and (b). No. The Honourable Member is presumably referring to the reported assault on Messrs. L. K. and S. K. Mandal at 31, Edward Square, New Delhi, at about 10-30 p.m. on the 8th March, 1931. The alleged assailants, who were armed with a Webley and Scott air pistol and two small knives, were subsequently arrested.

(c) An attempt of a similar nature was made in the early hours of the 7th February last, at No. 2, Market Road. On that occasion 3 men entered the outer room of the house but, on an alarm being given, fled.

(d) Police patrols have been organised and these are working efficiently, considering the large area in which they have to operate.

(e) No.

(f) Licenses for revolvers and pistols are issued only in case of real necessity and are not dependent on payment of income-tax. The issue of licenses is within the discretion of the District Magistrate and it would not be advisable to issue any orders limiting that discretion.

Mr. Gaya Prasad Singh: Is it a fact that the police force in New Delhi has been considerably strengthened in recent years in view of the frequent recurrence of such incidents?

The Honourable Sir James Crerar: Considerable increases have been made.

INCREASED RATES FOR PASSENGERS ON THE SOUTH INDIAN RAILWAY.

1050. *Mr. K. P. Thampan: Will Government be pleased to state:

- (i) whether it is a fact that the South Indian Railway has doubled, with effect from the 1st March, 1931, the minimum charges for passenger traffic for all classes;
- (ii) if so, whether there were any special reasons for such heavy increase, except the general trade depression;
- (iii) whether any other railway system has also adopted this course; if so, which railways?

Mr. A. A. L. Parsons: (i) Yes. The Honourable Member no doubt realises that the alteration only affects the charge for a journey of not more than three miles, and does not mean, for a third class passenger, an extra charge of more than six pies for any journey up to three miles.

(ii) This is presumably one of the measures which the South Indian Railway Administration consider necessary to relieve the present financial position.

(iii) I am not aware of any other railway having similarly enhanced its minimum charge for passengers.

MILEAGE OF LINES IN A NEW DIVISION CREATED ON THE SOUTH INDIAN RAILWAY.

1051. *Mr. K. P. Thampan: Will Government be pleased to state adverting to my question No. 552, dated the 17th February, 1931:

- (i) the total mileage of lines in the South Indian Railway under the Divisional Superintendent at Podanur in the year 1925, when the number of districts was reduced to three;
- (ii) the increase in the mileage under that district till the 1st of January when that district was bifurcated;
- (iii) the total mileage as at present arranged in each of the Podanur and Calicut Divisions;
- (iv) the average mileage in a district in the Madras and Southern Mahratta and Bengal Nagpur Railways; and
- (v) if the post of a new Traffic Superintendent has been created on account of the creation of this division; if so, who has been appointed for the post and what is his salary?

Mr. A. A. L. Parsons: (i) to (iv) and latter portion of (v). I have called for information from the Agents, South Indian, Madras and Southern Mahratta and Bengal Nagpur Railways and will communicate with the Honourable Member on its receipt.

As regards the first portion of (v), two posts, one in the senior and the other in the junior scale, have been created in connection with the opening of the Traffic Division at Calicut.

Mr. K. P. Thampan: Are Government satisfied that there is a real need for creating a new division at Calicut?

Mr. A. A. L. Parsons: Yes.

Mr. K. P. Thampan: Is that by way of retrenchment in the Railway Department?

SUPERSESSION OF CERTAIN SENIOR OFFICERS OF THE GOVERNMENT OF INDIA PRESS, CALCUTTA.

1052. *Mr. S. C. Mitra: (a) Will Government be pleased to state if it is a fact that seniority of service is not observed in making promotions to the gazetted ranks of the Printing and Stationery Department?

(b) Is it a fact that Mr. Trousdell was recently appointed as Deputy Controller, Forms, Calcutta, in supersession of Mr. Golder and two other European Assistant Managers and Overseers of the Calcutta Press?

(c) Is it a fact that Mr. T. E. Jones is considerably senior in service both to Mr. Trousdell and Mr. T. Carter, Acting Manager of Government Press, Delhi? If so, why was Mr. Jones not made permanent as Deputy Controller, Forms Store?

(d) Is it a fact that Mr. Jones has held the post of the Superintendent, Government Printing, Nagpur, on two occasions? If so, why have the claims of Mr. Jones for promotion been overlooked again and again by the Department of Industries and Labour and the Controller of Printing?

(e) Is it a fact that a vacancy of a gazetted Press Manager will shortly fall vacant? If so, do Government intend to take into consideration the cases of Mr. Golder and Mr. Jones in the order of seniority for filling the vacancy?

Mr. J. A. Shillidy: (a) to (e). Seniority is taken into consideration in making promotions to gazetted posts, but it is not the sole factor determining those promotions. Mr. Trousdell was appointed to the post of Deputy Controller of Forms because, in the opinion of Government, he had the best claim to the post and was suited to fill it.

APPOINTMENT OF INDIANS AS MANAGERS OF GOVERNMENT OF INDIA PRESSES AND AS CONTROLLER OF FORMS.

1053. *Mr. S. C. Mitra: (a) Will Government be pleased to state what steps have been taken by them to Indianise the posts of the Managers of the Government of India Presses, Central Publication Branch and the Deputy Controller of Forms?

(b) Will Government be pleased to state why no Indian has yet been appointed to the gazetted posts, referred to in part (a) permanently?

(c) Is it a fact that Sir Bhupendra Nath Mitra promised to appoint an Indian in 1930 or 1931?

Mr. J. A. Shillidy: (a) The Government of India sanctioned a temporary scheme in 1926 under which one Indian scholar has been selected every year from among apprentices in the Government of India Press, Calcutta, for training in England in the Art of Printing and allied trades for a period of three years. The scholars on return are appointed to the non-gazetted technical posts of Overseers and Assistant Managers in the Government of India Presses with a view to promotion to the superior gazetted posts in due course. So far five State scholars have been sent

to England for training and two of them, after completing their course in England, have been appointed to the grade of Assistant Managers and Overseers in the Government of India Presses. Indians have been appointed to the post of the Manager, Central Publication Branch, in temporary vacancies.

(b) No Indians are as yet sufficiently senior in the Department for permanent appointment to the posts of Managers of the Government of India Presses and the Deputy Controller of Forms. As regards the managership of the Central Publication Branch, the post was created in March, 1924, when no Indian with the requisite experience was available. Since then no permanent vacancy has occurred in this post.

(c) I am not aware of any such promise.

OFFICE OF LEGAL ADVISER, EAST INDIAN RAILWAY.

1054. *Mr. B. N. Misra: (a) Is it a fact that the East Indian Railway have got a Legal Adviser and several assistants of the same?

(b) If so, how many assistants are under him?

(c) What is the pay of the Legal Adviser and his assistants?

(d) What is the expenditure for providing that department?

(e) Are there such legal advisers in any other State-managed or Company-managed Railways?

(f) If so, what is the expenditure in those railways under law charges?

(g) Have those railways, including the East Indian Railway, consulted the Law Officers of Government in making those appointments?

(h) If not, do Government propose to adopt the policy of the Local Government in fixing the scale of fees as regulated by the Legal Practitioners Act?

(i) Will Government be pleased to lay on the table of the House the law charges of several State-managed and Company-managed railways?

Mr. A. A. L. Parsons: (a), (b), (c) and (d). The cadre of the East Indian Railway includes one superior post of a Vakil on a scale of pay of Rs. 550—50—1,000. This officer probably has a small office establishment, but Government have no detailed information.

(e) No other Railway has in its cadre a superior post of the same kind.

(f) Does not arise.

(g) The present incumbent of the post of the Vakil, East Indian Railway, was appointed in 1906. Government are not aware whether the Law Officers of Government were consulted when the appointment was made, but it is most unlikely. The railway was then a Company-managed railway.

(h) Government do not contemplate a change in the existing arrangements.

(i) The amounts shown under law charges in the accounts of the State and Company-managed Railways for the year 1929-30 for which accounts have been compiled are as follows:

	Rs.
Assam Bengal Railway	11,670
Bengal and North-Western Railway	13,541
Bengal Nagpur Railway	71,339
Bombay, Baroda and Central India Railway	48,859
Burma Railways	11,897
Eastern Bengal Railway	33,646
East Indian Railway	1,59,029
Great Indian Peninsula Railway	57,930
Madras and Southern Mahratta Railway	11,834
North Western Railway	26,529
Rohilkund and Kumaon Railway	699
South Indian Railway	12,626

Mr. B. N. Misra: If other railways have not got such establishments, are there any particular reasons for this railway to have one?

Mr. A. A. L. Parsons: This is a very large railway and has sufficient legal work to employ a whole-time vakil. For example, the Honourable Member will remember that a few years ago it was the railway which had the largest number of claims against it, and they often mean that legal advice is wanted.

LEASE BY THE BENGAL NAGPUR AND MADRAS AND SOUTHERN MAHRATTA RAILWAYS OF CERTAIN COAL FIELDS.

1055. *Mr. B. N. Misra: (a) Is it a fact that (i) the Madras and Southern Mahratta, and (ii) the Bengal Nagpur Railways have acquired sub-lease from the Talcher coal fields in the Talcher State, Orissa?

(b) If the reply is in the affirmative, will Government be pleased to lay on the table:

- the year or years when the sub-leases were executed;
- the expenses incurred separately by the Bengal Nagpur Railway and the Madras and Southern Mahratta Railway in securing the sub-leases;
- the expenses incurred up to date by each railway in development of mines;
- the tonnage of coal raised, despatched or stacked up to date by each of these railway collieries?

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

(b) (i). 1927.

(ii) and (iv). The information is not available in the Railway Board's office, and I am obtaining it for the Honourable Member from the two railways.

(iii) Rs. 26,35,636 by the Madras and Southern Mahratta Railway and Rs. 11,11,121 by the Bengal Nagpur Railway up to the end of June 1930, the latest date to which audited figures are available.

CUSTOMS BARRIER AT VIRAMGAUM.

1056. *Mr. N. M. Dumasia: (a) Will Government be pleased to state in what year the customs barrier at Viramgaum was removed and for what reason?

(b) When was the customs barrier reimposed at Viramgaum?

(c) What is the amount of revenue collected at Viramgaum on goods imported into British India through the ports of Kathiawar since the re-imposition of customs?

(d) Is the revenue appropriated wholly by Government to their own use?

The Honourable Sir George Schuster: (a) The line was abolished in 1917 in pursuance of the policy of the Government of India, which was and is that as few restrictions as possible should be imposed on trade between different parts of the Indian Empire.

(b) July 1927.

(c) The amount of duty collected up to the end of January 1931 is Rs. 2,67,27,000.

(d) Yes.

Mr. Gaya Prasad Singh: Is it a fact, Sir, that the re-imposition of the Customs cordon at Viramgaum was objected to by some of the maritime States in Kathiawar?

The Honourable Sir George Schuster: Yes, Sir; it is a fact.

Mr. N. M. Dumasia: Have the maritime States claimed a refund of the duty collected at Viramgaum in accordance with the treaty of 1917?

The Honourable Sir George Schuster: The maritime States have raised a good many claims, and there has been a great deal of controversy on the matter.

Mr. Gaya Prasad Singh: May I know on what grounds this objection was raised by the maritime States in Kathiawar?

The Honourable Sir George Schuster: The question is a complicated one. The claim of the maritime States is that a definite agreement was made in 1917 between the Government and themselves which would have permitted them to import very large quantities of goods on which the Government of India would have lost the whole of the import duty. The Government of India have no doubt as to the true facts of the position and have therefore had to resist the claim of the maritime States.

Mr. Gaya Prasad Singh: May I know if this re-imposition of the customs cordon is not at variance with the agreement entered into between the Government of India on the one hand and the maritime States on the other?

The Honourable Sir George Schuster: Our contention is, and it is a contention which we think we could establish, that it is not in violation of the agreement.

Mr. N. M. Dumasia: Is there any maritime State in Kathiawar which is treated as a British port and the goods entering into the British territory through that port are allowed to pass free of duty?

The Honourable Sir George Schuster: Yes, Sir, there is one State which has a special treaty which puts it in a better position than the other maritime States.

Mr. Gaya Prasad Singh: Is it the Bhavnagar State?

The Honourable Sir George Schuster: Yes, Sir.

Seth Haji Abdoola Haroon: That means the whole duty goes to Bhavnagar State. Bhavnagar State is importing a lot of foreign goods and it is re-exporting those goods into Indian territories, and the Government of India have allowed all this duty to go to Bhavnagar State, and they themselves, I mean the Government of India, are not getting any benefit out of it?

The Honourable Sir George Schuster: There exists a very ancient treaty between the Government of India and the Bhavnagar State which puts that particular State in a privileged position.

Mr. N. M. Dumasia: Is there any difference between the treaty with Bhavnagar State and the other maritime States?

The Honourable Sir George Schuster: That, Sir, is exactly what I have been trying to explain.

Mr. Gaya Prasad Singh: May I know if goods imported through the other maritime State ports importing goods, excepting Bhavnagar, have to pay twice the Customs duty?

The Honourable Sir George Schuster: I do not know what my Honourable friend refers to, but if he talks about a double customs duty, as far as I know, there is no arrangement of that kind applying to any State.

Mr. N. M. Joshi: Are the Government of India aware that this customs cordon is regarded as a great nuisance by railway passengers?

Mr. A. A. L. Parsons: I should think it quite possible, Sir; but we have had no representation to that effect.

Seth Haji Abdoola Haroon: Is it a fact that the maritime ports in Kathiawar import large quantities of foreign goods and the Government of India is getting very little duty at Viramgaum? Have the Government of India got any figures showing the quantity of goods imported into Kathiawar ports or of the amount of duty collected at Viramgaum? Can Government place a statement on the table of the House?

The Honourable Sir George Schuster: If my Honourable friend suggests that there are considerable leakages, that in fact the Government is not recovering all the duty which it ought to recover, I think he is incorrect. But we have no exact statistics of the trade figures at Kathiawar ports, and I think I can assure him that if there was any substantial leakage we should have discovered the fact. Personally, I am quite satisfied that there is no substantial leakage.

Mr. N. M. Dumasia: Have the terms offered to the maritime States in Kathiawar at the Abu Conference been withdrawn?

The Honourable Sir George Schuster: My friend is referring to a very complicated controversy. It is impossible for me to explain the full details of that controversy in answer to supplementary questions, but I can assure the Honourable Member that the Government of India have throughout been acting in what they consider to be perfectly fair way, consistent with every arrangement and every agreement which has been entered into or which has ever been discussed, and that the Government of India have been actuated by one motive and one motive only, and that is, consistently with any obligations that they have undertaken, to protect the interests of the taxpayers of British India.

UNSTARRED QUESTIONS AND ANSWERS.

RATE OF NOTE EXAMINATION IN THE CALCUTTA CURRENCY OFFICE.

322. Mr. Amar Nath Dutt: (a) Will Government be pleased to state whether it is a fact that when the rate of note examination was temporarily raised from 2,500 to 2,700 pieces in the Calcutta Currency Office the then Controller of Currency (Mr. H. Denning) remarked in his letter No. CY. 2603/155/28, dated the 24th November, 1928, that the rate was not *too high* and that it was due to the accumulation of arrears?

(b) If so, what is the reason of increasing the rate within two months and then again to still higher figures on and on till the present high rates have been reached?

(c) Are Government aware that the note examiners are compelled by the local Currency Officer to maintain the present increased rates? If so, is it under orders of the local D. C. C.?

(d) Did Government obtain expert opinion on the point before the verbal orders of the D. C. C. are followed? If not, why not?

(e) What is the object of Government in making such an increase? Is there any other channel to effect the same than by increasing the work of one section of the office?

(f) Is it a fact that official representations against the increase in the rates were made by the employees, if so, what steps have so far been taken?

(g) Are Government aware that the employees have been forced, under threats of dismissal and stoppage of increments, to withdraw their representations? If so, what steps have been taken in the matter?

(h) Are Government aware that the local papers agitated against the hardships of the employees consequent on the increase in the rates?

(i) If so, will Government be pleased to state whether any action has been taken; if so, what? If not, why not?

The Honourable Sir George Schuster: (a) Yes.

(b) Later on it was found, on closer examination of the conditions of the work, that by suitable administrative arrangements, the rate of work could easily be raised, and increased rates were, therefore, put into operation.

(c) The staff have to perform the work allotted to them and the Currency Officer is under the orders of his departmental superior, the Deputy Controller of the Currency.

(d) The Controller of the Currency is the Government's expert adviser in these matters, and he agreed with the opinion of the Deputy Controller of the Currency, who is in administrative charge of the office.

(e) The object is to give the men a full day's work.

(f) and (g). A representation was submitted by the men to the Treasurer. It contained certain statements which the signatories were asked to elucidate further. The representation was thereupon withdrawn, but not under any pressure or threats of dismissal or stoppage of increments, as alleged.

(h) and (i). Some letters were published in the papers. There was no real justification for the complaints and no action was, therefore, considered necessary.

RATE OF NOTE EXAMINATION IN THE CALCUTTA CURRENCY OFFICE.

323. Mr. Amar Nath Dutt: (a) Is it a fact that when the rate of note examination was increased to 2,500 pieces per head, in the Calcutta Currency Office it was effected after practical tests had been made by an old officer (Mr. W. D. Woollum) who was an expert in the field having thorough experience of all the seven Currency Offices in India?

(b) If so, will Government please state whether similar experiments had been made before the rates had been raised to the present high figures? If not, why not?

(c) Is it a fact that when the minimum rate was recommended to be 2,500 pieces per head by the Currency Expert, codified and applied to the Calcutta Currency Office, the rates obtaining in the other Currency were higher?

(d) Were there reasons for such distinction in rates in this province?

(e) If so, what are the reasons for adopting measures to level the rates now in all the Currency Offices?

(f) Will Government be pleased to state whether the various operations connected with the examination of notes as prescribed in the departmental code are being strictly followed in all the Currency Offices now and before; and if so, to what extent in each?

(g) Is it a fact (i) that the note examiners in Calcutta Currency Office used to finish their work by 5-30 P.M., when the rate was 2,500 pieces per head and (ii) that they had to finish their work by 4-30 P.M., when the rate was 3,000 and 3,500 pieces and (iii) that now they are expected to complete their work by 3-30 P.M., when the rates have been further increased to 3,500 and 4,000 pieces per head? If so, will Government please state how and why the time of note examination is being steadily shortened as the volume of work is being increased?

The Honourable Sir George Schuster: (a) Yes; in 1914 when conditions were entirely different, both as regards the format of the notes, and the rules regarding claims.

- (b) The rates were raised after due consideration.
- (c) No; at the time in no office was the outturn higher than 2,500 pieces per man per diem.
- (d) and (e). The question does not arise. These minimum rates have subsequently been considerably improved on in other offices, and there seems to be no reason why the Calcutta office should not also show an improvement.
- (f) Government have no reason to think that the prescribed procedure of work is not observed in any of the offices.
- (g) No records are available to furnish the information, but it is not a fact that the men are now forced to complete their work by 3-30 P.M. The men are allowed reasonable time to complete their work and for sometime past the men have been doing their work in time. The percentage of cut notes is now considerably lower than before, and it has, therefore, been possible to finish the examination more quickly.

GRIEVANCES OF DAILY-RATED WORKSHOP EMPLOYEES ON THE BENGAL AND NORTH WESTERN RAILWAY.

324. **Mr. Amar Nath Dutt:** (a) Is it a fact that the President of the Bengal and North Western Railwaymen's Association submitted a memorial signed by some 1,564 Railway Workshops' employees to the Agent on the 13th January, 1931, praying that the grievances arising out of the daily rated wages be removed and that the Agent refused to remove any of the grievances?

(b) Are Government aware that the Bengal and North Western Railway pays wages for only 14 of the holidays including Sundays to the Workshops' daily rated employees?

(c) Are Government aware that the Railway do not admit the majority of the daily rated Workshops' employees receiving Rs. 15 or more per month to the provident fund benefits?

(d) Are Government aware that these daily rated employees do not get wages when they are on medical leave?

(e) If the conditions are as stated above, do Government propose to take any steps to remedy these grievances? If not, why not?

Mr. A. A. L. Parsons: (a) The reply to the first part is in the affirmative and to the second part in the negative.

(b) Daily-rated employees in the workshops of the Bengal and North Western Railway are paid for the days actually worked by them, and in addition received pay for 14 holidays during the year on which the workshops are closed.

(c) The improvement of the position in respect of the admission of workmen to the provident fund is receiving close attention from the Bengal and North Western Railway Administration, and arrangements have been made to admit a certain number of men to the provident fund regularly, starting with those with longer service.

(d) Daily-rated employees are granted pay when on medical leave on account of injuries received on duty, but not otherwise.

(e) The Agent, Bengal and North Western Railway, will be asked to consider the question of extending to employees in the Bengal and North Western Railway workshops certain privileges recently extended to employees in State Railway workshops.

GRIEVANCES OF BENGAL AND NORTH WESTERN RAILWAY EMPLOYEES.

325. **Mr. Amar Nath Dutt:** (a) Has the attention of Government been drawn to a meeting of the Bengal and North Western Railway employees held at Gorakhpur on the 12th August, 1930, as reported in column 5, page 6 of the daily *Leader* dated the 24th August, 1930, under the heading "Bengal and North Western Railwaymen's grievances"?

(b) Is it a fact that the grievances of the Bengal and North Western Railway employees contained in the resolutions passed in the meeting were communicated to the Agent, Bengal and North Western Railway, by the Secretary of the Bengal and North Western Railwaymen's Association and subsequently by the President?

(c) Is it a fact that no reply was given by the Agent nor have the grievances been redressed?

(d) Do Government propose to take any steps for redressing the said grievances?

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

(b), (c) and (d). I am calling for certain information and will communicate with the Honourable Member on its receipt.

RECOGNITION OF THE BENGAL AND NORTH WESTERN RAILWAYMEN'S ASSOCIATION.

326. **Mr. Amar Nath Dutt:** (a) Are Government aware of the following facts:

(i) that Mr. Shakir Ali (barrister), the then President of the Bengal and North Western Railwaymen's Association, had an interview with the Agent, Bengal and North Western Railway on the 16th September, 1929 in connection with the recognition of the Bengal and North Western Railwaymen's Association;

(ii) that as a result of the said interview and, in order to secure its recognition by the aforesaid Agent, Maulana Azad Sobhani, Mr. Bindhyabashni Prasad Verma (Advocate) and Dr. Biswa Nath Mukerji, (vice-President, Legal Adviser and General Secretary of the Bengal and North Western Railwaymen's Association respectively) were replaced by other gentlemen with Rai Sahib Mr. Madhusudan Das as President (in place of Mr. Shakir Ali who was elected as General Secretary);

(iii) that the newly elected President and General Secretary had an interview with the Agent who informed the President that he would be pleased to communicate with the President of the Association on any relevant matters which concerned the welfare of the staff generally;

- (iv) that no circular letter has been sent to the staff of that Railway, regarding the non-applicability of the letter written in 1925, by the Agent to the Association (*vide* answer to unstarred question No. 353, part (b) (iii) asked in the Legislative Assembly on the 18th March, 1929, contained in the Railway Board's letter No. 15-L., dated 8th June, 1929 to Mr. Amar Nath Dutt, M.L.A.);
- (v) that the Agent has refused to circulate amongst the staff that he would be pleased to communicate with the President of the Association on relevant matters which concerned the welfare of the staff generally;
- (vi) that the Agent has refused to supply the scales of the salaries and wages of his employees to the Association on the plea that they were not for general publication;
- (vii) that one of the aims and objects of the Bengal and North Western Railwaymen's Association is to represent the grievances of its individual members;
- (viii) that the Agent of the Bengal and North Western Railway has refused to entertain the individual cases of his employees represented by the Association?

(b) If reply to part (a), items (iv), (v), (vi), (vii) and (viii) be in the affirmative, do Government propose to draw the attention of the Agent to the desirability of:

- (i) giving notice to the staff of non-applicability of the letter written in 1925, forwarding a copy of the notice to the Association;
- (ii) giving notice to the staff regarding communication with the Association;
- (iii) supplying the Association with scales of salaries and wages of the employees; and
- (iv) allowing the Association to represent individual cases?

(c) If answer to part (b) be in the negative, will Government be pleased to state the reasons?

Mr. A. A. L. Parsons: Except in regard to the matter referred to in part (a) (iv) of the question, Government have no information. All the matters referred to in part (a) of the question are within the competence of the Agent to deal with and Government do not propose to interfere with his discretion; but a copy of the Honourable Member's question and answer will be sent to the Agent.

PAY OF "C" CLASS STATION MASTERS ON THE BENGAL AND NORTH WESTERN RAILWAY.

327. Mr. Amar Nath Dutt: (a) Is it a fact that "C" class station masters on the Bengal and North Western Railway get a fixed salary of Rs. 50 a month and that this salary is never increased?

(b) If so, do Government propose to draw the attention of the Agent, Bengal and North Western Railway to the desirability of fixing their salary on incremental basis? If not, why not?

Mr. A. A. L. Parsons: I have called for certain information and will communicate with the Honourable Member on its receipt.

POSITION OF MARKERS IN THE BENGAL AND NORTH WESTERN RAILWAY.

328. Mr. Amar Nath Dutt: (a) Has the attention of Government been drawn to an article by Mr. Ram Prasad, Secretary, Bengal and North Western Railwaymen's Association, published at Madras, in the *Indian Railway Magazine* of January, 1930, under the heading "Position of the Markers in the Bengal and North Western Railway" at page 17?

(b) If so, will Government be pleased to state:

(i) if they have inquired into the allegations made therein and if they propose to reconcile their reply to the question referred to in the said article; and

(ii) their reason, if reply to part (b) (i) be in the negative?

Mr. A. A. L. Parsons: Government have not seen the article referred to.

ALLEGATIONS IN REGARD TO LABOUR ON THE BENGAL AND NORTH WESTERN RAILWAY.

329. Mr. Amar Nath Dutt: (a) Has the attention of Government been drawn to the letter of the Secretary, Bengal and North Western Railwaymen's Association, published in London, in the *Railway Review*, dated the 25th April, 1930, under the heading "The Bengal and North Western Railway" "Labour Condition in India" "Trade Union Appeal to Britain"?

(b) If reply to part (a) be in the affirmative, will Government be pleased to state whether inquiries have been made into the allegations contained therein?

(c) If so, what are the conclusions arrived at?

Mr. A. A. L. Parsons: (a) No.

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

COMPLAINT BY THE BENGAL AND NORTH WESTERN RAILWAYMEN'S ASSOCIATION.

330. Mr. Amar Nath Dutt: (a) Has the attention of Government been drawn to the letter of Mr. Ram Prasad, Secretary, Bengal and North Western Railwaymen's Association, published in the *Forward*, dated the 11th September, 1928, in column "Letters to the Editor" under the heading "Railway Board" "Attitude towards Railwaymen's Unions"?

(b) Is it a fact that Railway Board did not reply to the letters of the said Association? If not, why not?

(c) Is it a fact that the Railway Board advised the said Association to refer to the Agent, Bengal and North Western Railway the matters set forth in its letter to the Secretary, Railway Board, seeking interpretation of the phrase "proper authority" which occurred in the Standing Order issued by the Secretary of the Railway Board as modification to the "State Railway Provident Fund and Gratuity Rules"? If so, why?

Mr. A. A. L. Parsons: (a) No.

(b) and (c). The general procedure followed by the Railway Board is not to correspond direct with Labour Unions of individual railways.

REFUSAL OF FACILITIES TO OFFICE-BEARERS OF THE BENGAL AND NORTH WESTERN RAILWAYMEN'S ASSOCIATION TO INVESTIGATE MEASURES FOR PREVENTION OF ACCIDENTS IN RAILWAY WORKSHOPS.

331. Mr. Amar Nath Dutt: (a) Is it a fact that a copy of Government of India's letter No. L.-1769 (Department of Industries and Labour) to all Major Governments and Chief Commissioner, Delhi, was sent to the Secretary, Bengal and North Western Railwaymen's Association for expressing the views of the Association on the recommendation adopted at the twelfth International Labour Conference, 1929 regarding prevention of industrial accidents?

(b) Is it a fact that the President of the said Association applied to the Agent, Bengal and North Western Railway for permission for himself and for some other office-bearers of the Association to visit the workshops of that Railway in order to see if measures adopted therein to prevent accidents were adequate and the Agent did not comply with his request?

(c) If the reply to parts (a) and (b) be in the affirmative, will Government be pleased to state the reason for permission not having been granted?

(d) Do Government propose to draw the attention of the Agent to the desirability of granting the permission in time? If not, why not?

Mr. A. A. L. Parsons: (a) Government are informed that this is a fact.

(b) Yes.

(c) The Agent, Bengal and North Western Railway, explains that permission was not granted to the President and office-bearers of the Association to visit the Workshops as the reply which had been sent by him to the Government of the United Provinces was considered by him to have covered the question completely.

(d) Government do not propose to interfere with the discretion of the Agent in this matter.

ISSUE OF RAILWAY PASSES TO EMPLOYEES OF CONTRACTORS IN BENGAL AND NORTH WESTERN RAILWAY WORKSHOPS.

332. Mr. Amar Nath Dutt: (a) Is it a fact that men employed by the contractor in the Bengal and North Western Railway Treasury are given by the Railway, Free Passes and P. T. Orders just as are ordinary railway servants?

(b) Is it a fact that men employed by contractors in the workshops of this Railway are not given the same privileges?

(c) If reply to parts (a) and (b) are in the affirmative, will Government be pleased to state the reason for this discrimination?

Mr. A. A. L. Parsons: Information is being obtained from the Agent of the Bengal and North Western Railway regarding the points referred to by the Honourable Member and I will communicate later with him.

EDUCATION OF THE CHILDREN OF EMPLOYEES OF THE BENGAL AND NORTH WESTERN RAILWAY.

333. Mr. Amar Nath Dutt: (a) Has the attention of Government been drawn to a letter which appeared in the daily *Leader*, Allahabad at page 7, under the heading "Education of Bengal and North Western Railway Employees' Children" over the signature of Mr. Ram Prasad, Secretary, Bengal and North Western Railwaymen's Association?

(b) If so, will Government be pleased to state:

(i) if they have inquired into the allegations contained therein;

(ii) if they propose to take steps to increase the remuneration of the teachers employed in the "India Railway School" at Gorakhpur and to extend the provision for the education of the children of the Bengal and North Western Railway employees; and

(iii) the reason, if the reply to part (b) (i) and (ii) be in the negative?

Mr. A. A. L. Parsons: (a) No.

(b) Does not arise.

ALLEGATIONS REGARDING RAILWAY POINTSMEN.

334. Mr. Amar Nath Dutt: (a) Has the attention of Government been drawn to the letter which appeared in the daily *Amrita Bazar Patrika*, Calcutta, in column "Our Post Bag", dated February 20th, 1930, under the heading "Railway Accidents and Pointsmen" over the signature of Mr. Ram Prasad, Secretary, Bengal and North Western Railwaymen's Association?

(b) If so, will Government be pleased to state:

(i) whether the allegations contained therein about the inadequate remuneration and about the overwork of railway pointsmen have been inquired into; and

(ii) the reason, if no inquiry has been held?

Mr. A. A. L. Parsons: (a) No.

(b) Does not arise.

LIMITED SPACE AVAILABLE IN THE PEZWADA RAILWAY MAIL SERVICE SORTING OFFICE.

335. Mr. C. S. Ranga Iyer: (a) Will Government be pleased to state the total plinth area of the Bezwada Railway Mail Service Sorting office?

(b) What is the total space occupied by the furniture in the office?

(c) Is it a fact that the office is a very busy one working throughout the day and night?

(d) Is it a fact that a large number of transit and forward bags are received in the office daily apart from the very heavy receipt of bags which the sorting office has to dispose of?

(e) Is it a fact that all kind of sorting work including Parcel Sorting is done in the limited space available in the sorting office?

(f) If the space is insufficient, do Government propose to provide adequate space early? If not, why not?

(g) Is it a fact that there is no separate enclosure for the sorting of insured articles?

(h) Is it not usual to provide separate enclosures for the disposal of valuable articles such as insured articles to protect the staff against any possible loss, and if so, do Government propose to provide the enclosure early? If not, why not?

Mr. H. A. Sams: Government have no information as to the exact conditions existing. A copy of the question has been sent to the Postmaster-General, Madras, for any action necessary.

STRENGTH OF THE ESTABLISHMENT OF THE VIZAGAPATAM POST OFFICE.

336. **Mr. C. S. Ranga Iyer:** (a) Will Government be pleased to state the strength of the establishment of the Vizagapatam Post Office?

(b) Is it a fact that no correspondence clerk has been sanctioned for the office although fifteen clerks are working in the office? If the reply is in the affirmative, do they propose to sanction one early? If not, why not?

(c) Do the units of work in the accounts branch of the office come to 2057 according to the latest calculation? If not, what is the number of units?

(d) If the work in the branch justifies the sanction of two accountants, while only one full time accountant has been sanctioned and the services of a clerk are lent for a few hours, are Government prepared to sanction two accounts clerks exclusively at an early date? If not, why not?

Mr. H. A. Sams: (a), (b), (c) and (d). Government have no information. The points raised are within the competence of the Postmaster-General, Madras, to whom a copy of the question has been sent.

STRENGTH OF THE CLERICAL ESTABLISHMENT IN THE VIZAGAPATAM POSTAL DIVISION.

337. **Mr. C. S. Ranga Iyer:** Will Government be pleased to state the total strength of the clerical establishment in the Vizagapatam Postal Division and the Leave Reserve clerks due to be sanctioned for the division? If the number of Leave Reserve Clerks sanctioned for the division is less than what is due do Government propose to sanction the full strength early? If not, why not?

Mr. H. A. Sams: The matter will be considered by me on receipt of information which has been called for from the Postmaster-General, Madras.

SCARCITY OF WATER AT VIZAGAPATAM.

338. **Mr. C. S. Ranga Iyer:** (a) Will Government be pleased to state whether it is a fact that there is scarcity of water at Vizagapatam especially during summer?

(b) Are Government aware that the Postal officials have to pay about Rs. 5 to get a minimum quantity of water?

(c) Has any representation been received from the staff praying for the sanction of water allowance and do Government propose to consider the request favourably? If not, why not?

Mr. H. A. Sams: (a), (b) and (c). Government have no information. Postmasters-General are authorised to grant water allowance up to Rs. 5 a month to the staff in their jurisdiction in cases in which this is justified.

STRENGTH OF LEAVE RESERVE IN DIVISIONS IN THE MADRAS POSTAL CIRCLE.

339. **Mr. C. S. Ranga Iyer:** Will Government be pleased to state the names of the divisions in the Madras Postal Circle where full strength of Leave Reserve Clerks has not been sanctioned consequent on the increase of establishment in the divisions and do Government propose to accord sanction to the full strength early? If not, why not?

Mr. H. A. Sams: Government have no information showing that the case is as stated. A copy of the question has been sent to the Postmaster-General, Madras, for such action as may be necessary.

PROVISION OF ADDITIONAL STAFF IN POST OFFICES IN THE MADRAS CIRCLE.

340. **Mr. C. S. Ranga Iyer:** (a) Will Government be pleased to state the standard fixed for determining the strength of the staff in the accounts branch of each Head Post Office?

(b) What are the offices in the Madras Circle which require additional staff according to the above standard?

(c) If additional staff has not already been sanctioned, do Government propose to sanction the additional establishment early? If not, why not?

(d) Is it a fact that there is only one accountant in Guntur Post Office, although there is work for more than 2,000 units? If so, does it justify two accountants? If so, are they prepared to sanction the additional appointment early? If not, why not?

Mr. H. A. Sams: (a), (b), (c) and (d). A copy of the Director-General's G. O. No. 3, dated the 17th June, 1930, prescribing the standard will be sent to the Honourable Member. Government do not consider it necessary to make any further enquiries.

RESTORATION OF AN APPOINTMENT REDUCED IN THE MADRAS GENERAL POST OFFICE.

341. **Mr. C. S. Ranga Iyer:** (a) Will Government be pleased to state whether it is a fact that about a year back an appointment in the gazetted rank of Rs. 350—650 was brought under reduction in the Madras General Post Office, and if so, why?

(b) Has not the work, responsibility and strength of establishment of Madras General Post Office increased many times since the time when the appointment was first created and if so, what is the reason for reducing the appointment?

(c) Was the appointment at Madras General Post Office reduced for raising the status of any other officer?

(d) Are Government prepared to restore the appointment early? If not, why not?

Mr. J. A. Shillidy: (a) to (c). The fact is not as stated by the Honourable Member. The post of an Assistant Postmaster in the gazetted grade of Rs. 350—50—650 in the Madras General Post Office was reduced to the non-gazetted grade of Rs. 250—20—350 for the reasons explained in paragraph 10 of the Proceedings of the Meeting of the Standing Finance Committee on the 24th January, 1929.

(d) Government are not prepared to restore the post to the 350—650 grade until such a pay is justified.

RESTORATION OF A TEMPORARY APPOINTMENT AND STOPPAGE OF REDUCTIONS IN THE MADRAS GENERAL POST OFFICE.

342. Mr. C. S. Ranga Iyer: (a) Will Government be pleased to state whether it is a fact that about a year back an additional clerk was sanctioned as a temporary measure for the Accounts Branch of the Madras General Post Office, in view of the additional work involved by the transfer of the Madras General Post Office Sorting office from the control of the Superintendent, R. M. S., 'M' Division to the Presidency Postmaster, Madras?

(b) Is it a fact that the additional clerk has recently been withdrawn since the department did not justify it on the application of the present time-test?

(c) Is it a fact that it is proposed to further reduce the strength of the department by one more clerk?

(d) Is it a fact that the same time-test which is applied to the accounts work of a mofussil head office is made applicable to the Presidency offices at Madras, Calcutta and Bombay?

(e) Is it a fact that in addition to the work of the Accounts branch of a mofussil head office the Presidency office has to attend to the disposal of pension papers, leave and transfer orders, etc., which are done in mofussil by the administrative office and not by the Accounts branch and no time-allowance has been prescribed for this additional work?

(f) Was any representation received by Government from the Presidency Postmaster, Madras, Calcutta and Bombay, about the inadequacy of the present time-test in the Accounts branch?

(g) Do Government propose to provide adequate time-test for the Accounts Department of a Presidency Office early and pending sanction of the revised time-test restore the temporary appointment in Madras General Post Office, and stop further reduction of establishment in the department? If not, why not?

Mr. H. A. Sams: (a) Yes.

(b) The appointment, which was sanctioned temporarily, was abolished as not justified by the present standard.

(c) Government have no information.

(d) The standard is applicable to all head post offices.

(e), (f) and (g). The question of the suitability of the standard has been raised and the matter is under examination by the Director-General. Until this examination can be completed and a decision reached, the standard laid down cannot properly be ignored.

PROVISION IN THE BUDGET OF THE POSTS AND TELEGRAPHS DEPARTMENT FOR ADDITIONAL APPOINTMENTS.

343. Mr. C. S. Ranga Iyer: (a) Will Government be pleased to state whether it is a fact that Government have accepted the time-test devised by Mr. Bewoor and agreed to by the late Babu Tarapada Mukerjee, the General Secretary of the All-India Postal and R. M. S. Union?

(b) Is it a fact that Government have agreed to make necessary provision in the Budget estimate of the Posts and Telegraphs Department for any increase in expenditure consequent on addition of establishment, which the application of the new test may necessitate?

(c) Have any proposals for additional appointment been received from any Circle and, if so, from what Circles and what is the additional allotment required by each Circle?

(d) Has any provision been made for this item in the Budget estimate of the Posts and Telegraphs Department for the year 1931-32? If not, why not?

Mr. J. A. Shillidy: (a) Yes.

(b) Government have asked the Director-General not to overlook the necessity of providing in his budget proposals of the Posts and Telegraphs Department from time to time for any additional funds which may be required to cover the cost of such additions to the establishment as may be found necessary. But I would remind the Honourable Member that in the present financial stringency additional expenditure cannot be contemplated.

(c) No proposal has been received from any circle with reference to Mr. Bewoor's Report, nor has any additional allotment been applied for on this account.

(d) No special provision has been made in view not only of the extremely unsatisfactory financial position of the Department, but also of the actual and anticipated further fall in traffic resulting in savings which would enable the case to be substantially met without additional grants.

PROVISION OF A CLERK IN THE DWARAPUDI SUB-POST OFFICE.

344. Mr. C. S. Ranga Iyer: (a) Will Government be pleased to state whether Dwarapudi sub-office in the Madras Presidency is a single-handed sub-office doing telegraph work?

(b) Is it a fact that there is justification for a clerk in the office excluding the Sub-Postmaster and, if so, do Government intend to sanction a clerk, and if so, when?

Mr. H. A. Sams: (a) and (b). Government have no information. The matter is within the competence of the Postmaster-General, Madras, to whom a copy of the question has been sent.

PROVISION OF ADDITIONAL POSTAL ESTABLISHMENT IN MADRAS.

345. Mr. C. S. Ranga Iyer: (a) Will Government be pleased to state whether it is a fact that additional staff is justified in the case of a large number of post offices in Madras City including several departments of the Madras General Post Office as a result of the application of Mr. Bewoor's time-test? If so, what are the offices or departments which require additional establishment?

(b) Have any steps been taken to accord sanction for the additional establishment wherever found justified? If not, why not?

(c) Are Government prepared to sanction immediately additional establishment in the case of offices or departments such as Flower Bazaar, Park Town, Sowcarpet, Money Order Savings Bank, Inland Parcel? Are Government aware that the work there is very pressing and the staff very hard-worked? Is it a fact that there is justification for additional establishment there according to Mr. Bewoor's time-test? If not, why not?

Mr. J. A. Shillidy: (a), (b) and (c). Government are not in a position to make any statement. They presume that the question of the appropriate establishment for offices or departments of offices under the control of the Postmaster-General, Madras, is receiving his attention, and a copy of the Honourable Member's question has been sent to the Postmaster-General.

PROVISION OF ADDITIONAL POSTAL ESTABLISHMENT IN MADRAS.

346. Mr. C. S. Ranga Iyer: Will Government be pleased to state:

(a) whether it is a fact that Mr. Bewoor at pages 134 and 135 of his Report on the revision of time-test of the Post Office has stated that the Money Order and Savings Bank Departments require additional establishment of supervisors and clerks;

(b) if it is a fact that at page 139 of the said Report he has stated that he has seen the Savings Bank branch of Madras and considers that the supervisory staff is very inadequate and an increase in operative staff very necessary;

(c) if the reply is in the affirmative, why has not the additional establishment been sanctioned till now; and

(d) whether Government are prepared to sanction it without further delay; and if not, why not?

Mr. J. A. Shillidy: (a) The facts are not exactly as stated by the Honourable Member. On the pages of the Report cited, Mr. Bewoor furnished a statement, as an Appendix, showing the result of the application of the proposed time-test to certain post offices. In the case of the Money Order and Savings Bank Departments named therein this result worked out to more staff, supervisory and operative, than that sanctioned.

(b) Yes.

(c) and (d). The question of revision of establishment can be decided only after completion of the scrutiny and survey required. It is necessary not only to compile the requisite statistics, but also to make a full and independent enquiry into the organisation and general conditions of work, as contemplated by the Report, and to see whether the cases of particular offices demand priority of treatment over those of other offices.

PROVISION OF ADDITIONAL POSTAL ESTABLISHMENT IN MADRAS.

347. Mr. C. S. Ranga Iyer: (a) Will Government be pleased to state whether it is a fact that one clerk has been brought under reduction in the Registration Department of the Madras General Post Office and, if so, on what grounds was the reduction made?

(b) Was any reduction necessitated by the application of the old time-test?

(c) Is it a fact that an increase of establishment of 15 additional clerks is required for the department as per Mr. Bewoor's time-test and, if so, why was reduction made, where additional establishment is justified?

(d) Has the department directed the reduction of the present establishment to meet the alleged loss in the working of the Posts and Telegraphs Department and, if so, in how many places in the Madras circle has such reduction been made?

(e) Are Government aware that the reduction of the establishment as a form of retrenchment of expenditure to meet budget deficiencies causes severe hardship and risk to the staff?

(f) If answer to part (c) is in the affirmative, are Government prepared to restore the establishment brought under reduction in the Registration Department of the Madras General Post Office and elsewhere? If not, why not?

Mr. H. A. Sams: (a) and (b). The post of one clerk has been kept vacant temporarily in consequence of a decrease of traffic.

(c) Government have no information.

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

(e) and (f). Do not arise in view of the replies to (a), (b) and (d) above.

APPLICATION OF MR. BEWOOR'S TIME-TEST TO RAILWAY MAIL SERVICE OFFICES.

348. Mr. C. S. Ranga Iyer: (a) Will Government be pleased to state whether it is a fact that Mr. Bewoor's time-test has not yet been made applicable to Railway Mail Service offices and sections and, if not, why not?

(b) When do Government propose applying the time-test to the Railway Mail Service?

Mr. J. A. Shillidy: (a) It is not a fact.

(b) Does not arise.

MEASURES FOR RELIEF OF POSTAL OFFICIALS WORKING ON SUNDAYS AND HOLIDAYS.

349. Mr. C. S. Ranga Iyer: (a) With reference to the reply of Government to unstarred question No. 12 of Khan Bahadur Sarafaraz Hussain Khan in the Assembly on the 14th July 1930, will Government be pleased to state whether the Director-General has since introduced measures for relief of postal officials working on Sundays and Post Office holidays and, if so, what are the measures introduced?

(b) If not, do Government propose to direct the Director-General to issue early orders in the matter? If not, why not?

Mr. J. A. Shillidy: (a) Yes. A copy of the orders issued will be sent to the Honourable Member separately.

(b) Does not arise.

INCREASE OF PAY IN POST OFFICES IN THE MADRAS CIRCLE.

350. **Mr. C. S. Ranga Iyer:** Will Government be pleased to state:

- (a) whether it is a fact that the work and importance of the Kumbakonam and Tanjore post offices require them to be placed in the higher selection grades;
- (b) if so, why it has not been done and when it is proposed to be done; and
- (c) if there is any other selection grade post offices in the Madras Circle which should be placed in a higher selection grade or raised to the gazetted rank and, if so, what are they and when do Government propose raising the status of these offices; if not, why not?

Mr. H. A. Sams: (a), (b) and (c). Government have no information. Such cases are decided on their merits on receipt of proposals from the Heads of the Circles concerned.

ELECTION OF VICE-PRESIDENTS TO THE PESHAWAR MUNICIPALITY.

351. **Khan Bahadur Haji Wajihuddin:** Will Government be pleased to state:

- (a) whether it is a fact, that two non-official Vice-Presidents are elected by the Peshawar Municipality every time that a newly empannelled Committee comes into existence;
- (b) whether it is a fact that one seat was meant for a Muhammadan and the other for a Hindu;
- (c) whether it is a fact that whenever Vice-Presidents were elected voting took place separately for each seat and the members elected one Hindu and one Muhammadan to the seats by separate ballot;
- (d) whether it is a fact that at the last occasion of electing Vice-Presidents it was found that the Revenue Commissioner, North-West Frontier Province, had made some fresh rules for election, and they were applied;
- (e) whether it is a fact that according to those rules all the Hindu and Muhammadan candidates were made to stand together for the two seats and all the members were made to vote at one time for the two seats but with the restriction that each member shall only vote for one individual and not two; and
- (f) whether Government have taken any steps to abrogate these rules and restore to the two communities their separate seats of Vice-Presidents and also enable each member to exercise his right of vote regarding each seat separately thus filling the Muhammadan and Hindu seats separately by a majority?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a), (c) and (d). Yes.

(b) Yes, by tacit understanding.

(e) Yes, Mr. M. Ghulam Hassan and Rai Sahib Mehr Chand were elected.

(f) No. The new rules which were issued under the powers vested in the Local Administration by section 240 of the Punjab Municipal Act are based on the rules in force in the Punjab. They were published before being finally notified and no objections to them were received.

ADMISSION OF NON-AGRICULTURISTS TO AN AGRICULTURAL EXAMINATION.

352. **Khan Bahadur Haji Wajihuddin:** Will Government be pleased to state if it is a fact that:

- (a) according to standing orders in vogue in the Punjab and North-West Frontier Province only the sons of agriculturists are allowed to sit in the agricultural examination;
- (b) certain non-Muslims who are not sons of agriculturists were allowed to appear in the agricultural examination lately held at Turnab Government Farm in Peshawar District; and
- (c) if replies to parts (a) and (b) are in the affirmative, will Government be pleased to state why the restrictions imposed by the standing orders were not followed by the local agricultural officer?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) There are no standing orders of the nature indicated in the North-West Frontier Province nor, so far as the Government of India are aware, in the Punjab, but sons of agriculturists if otherwise suitable are, as a matter of fact, given preference in respect of agricultural appointments.

(b) The Agricultural Officer, North-West Frontier Province, was recently requested by the Local Administration to forward his recommendations regarding the suitability of certain candidates for employment at the Agricultural Station, Tarnab. In order to test their capacity, he set papers and, on the basis of the answers to these, made certain recommendations, on which orders have yet to be passed. There was no regular examination, but merely an informal test.

(c) Does not arise.

NON-REDUCTION OF MUSLIM STAFF ON THE NORTH-WESTERN RAILWAY.

353. **Khan Bahadur Haji Wajihuddin:** Will Government be pleased to state how they propose:

- (a) to treat the small percentage of newly appointed Muslims serving in subordinate services at present on the North Western Railway, when reduction of Railway establishment is made in the Department; and
- (b) to achieve practical result towards redressing the enormous communal inequalities existing in the Department at present if due consideration is not given towards the retention of the present comparatively insignificant number of qualified Muslims in the Department?

Mr. A. A. L. Parsons: (a) and (b). The Railway Board have issued instructions to the Agents of State-managed railways to take all practical measures to see that the necessity for reducing staff does not operate to the detriment of communities not at present adequately represented in railway services.

MUSLIM MEMBER NOMINATED TO THE PESHAWAR CANTONMENT BOARD.

354. **Khan Bahadur Haji Wajihuddin:** (a) Will Government be pleased to state if it is a fact that the present Muslim member of the Peshawar Cantonment Board

- (i) does not own land or house property except a small dwelling house in the bazaar;
- (ii) does not carry on any business except teaching *Pashtu* and *Urdu*; and
- (iii) does not belong to Peshawar District?

(b) If reply to part (a) be in the affirmative, will Government be pleased to state on what special consideration he was nominated with reference to the requirements of section 14 proviso (b) of the Cantonments Act?

Mr. G. M. Young: (a) Government have no information.

(b) The nomination was made by the Local Administration, whose discretion Government do not propose to question.

APPOINTMENT OF A MUSLIM AS INSPECTOR OF POST OFFICES, PESHAWAR CANTONMENT.

355. **Khan Bahadur Haji Wajihuddin:** (a) Are Government aware that the appointment of Inspector of Post Offices, Peshawar Cantonment, has been monopolized by the non-Muslims from time immemorial?

(b) If reply to part (a) be in the affirmative, do Government propose to replace the present non-Muslim incumbent by a Muslim?

Mr. H. A. Sams: Government have no information. The matter is within the competence of the Postmaster-General, Punjab and North-West Frontier, to whom a copy of the question has been sent.

STATEMENTS LAID ON THE TABLE.

RULES GOVERNING GRANTS FOR THE EDUCATION OF CHILDREN OF RAILWAY EMPLOYEES.

Mr. A. A. L. Parsons (Financial Commissioner, Railways): Sir, with reference to the supplementary question to starred question No. 244, asked by Lala Brij Kishore, on the 2nd February, 1931, I lay on the table a copy of the rules governing the grant of assistance to employees of State-managed Railways towards the education of their children.

Rules governing the grant of assistance from Railway funds to employees of State-managed Railways towards the Education of their Children.

GOVERNMENT OF INDIA.

RAILWAY DEPARTMENT.

(RAILWAY BOARD.)

No. 4233-E.

Dated Simla, the 25th September 1930.

TO THE AGENTS, NORTH WESTERN RAILWAY, EAST INDIAN RAILWAY, GREAT INDIAN PENINSULA RAILWAY, EASTERN BENGAL RAILWAY, AND BURMA RAILWAYS.

Assistance to Railway employees from Railway funds towards the education of their children.

DEAR SIR,

3. With regard to the assistance to be given to railway employees towards the cost of the board and tuition fees of their children attending schools, the Government of India, in consultation with the Central Advisory Council for Railways, have decided that, pending the issue of their final policy, which will be decided after receipt and consideration of the report of the special officer referred to in paragraph 1 above, assistance shall be given immediately to all employees of State-managed Railways in accordance with the Rules a copy of which forms an Annexure to this letter. Attention is invited, in this connection, to the provision in the Rules whereby employees in service before the 1st February, 1929, are allowed to exercise the option of receiving assistance on the terms and conditions and on the scale previously applicable to them, or of accepting the new rules, the option once exercised being final.

Yours faithfully,

J. F. BLACKWOOD,
Secretary, Railway Board.

D.A.—Annexure.

ANNEXURE.

GOVERNMENT OF INDIA.

RAILWAY DEPARTMENT.

(RAILWAY BOARD.)

Rules governing the grant of assistance from Railway funds to employees of State-managed Railways towards the education of their children.

1. These rules are applicable to all subordinate employees of State-managed Railways except those in inferior service.

2. Staff now in service and who joined service on State-managed Railways before the 1st February, 1929, shall be allowed the option of coming under the operation of these rules, or of receiving assistance on the

scales, terms and conditions to which they were eligible prior to the introduction of these rules. The option, which must be exercised before the 1st January, 1931, will, when once exercised, be treated as final.

NOTE.—Staff on leave or on deputation elsewhere than on State-managed Railways at the time of issue of these rules will be permitted to exercise their option within three months of their return to duty after such leave or deputation.

3. Assistance will be limited to those cases where an employee is compelled to send his child or children to a boarding school away from the station at which he is posted, owing to the absence of a school or schools of the requisite standard at the station at which he is posted.

NOTE 1.—An Indian school shall be held to be a school not of the "requisite standard" for European and Anglo-Indian children, and vice versa. Similarly, if a child is prevented by the tenets of his religious persuasion from attending a school run by a body of another persuasion, such school shall be held to be a school not of the "requisite standard" within the meaning of these rules.

NOTE 2.—If an employee is transferred from a station where there is no school of the "requisite standard" to a station where there is such a school, and was in receipt of assistance at the former station in respect of any child or children, he shall remain eligible to such assistance until the close of the scholastic year of the school in which his child or children were boarders at the time of his transfer, provided they continue for that period as boarders in that school.

NOTE 3.—If a child of a railway employee is denied admission to a school of the "requisite standard" at the station at which its parent is posted, because of there being no vacancy, or for any other reason, and the child is, therefore, compelled to attend a boarding school away from its parent's headquarters, the parent shall be entitled to assistance as if there were no school of the "requisite standard" at his station.

4. In addition to the limitation imposed under Rule 3, assistance will be limited to education for the period covered by the primary and middle standards, that is, up to and including the Middle School or Junior Cambridge classes.

5. Assistance will be admissible on the following scale:

(a) Pay of employee.	Limit of assistance.
Not exceeding Rs. 100 per mensem.	Half the fees for board and tuition.
Rs. 101 to Rs. 200 per mensem.	One-third of the fees for board and tuition.
Rs. 201 to Rs. 300 per mensem.	One-fourth of the fees for board and tuition.

(b) The assistance will be subject, in all cases, to an over-riding maximum of Rs. 15 per mensem per child, and to a maximum of Rs. 40 per mensem to any employee at any one time.

(c) Pay for this purpose will be substantive pay and will include allowances to the extent to which these are taken into account for Provident Fund Contributions.

(d) Assistance will be admissible to an employee whose child or children attend an Indian primary school, away from his station, if, owing to the absence of boarding arrangements at such school, he is compelled to board them at an institution unconnected with the school, or even with a private family. For the purpose of assessing the assistance admissible in such cases, the boarding charges shall be assumed to be the average of those obtaining in middle or secondary Indian schools in the same locality or district.

(e) If an employee receives promotion which results in his passing from one category of assistance to another, the assistance admissible to him in the new category shall be regulated so that the total of his emoluments plus assistance shall not be less than the total of his emoluments plus assistance before promotion. Similarly if the promotion results in his passing into the non-entitled category he shall continue to receive assistance, provided other conditions remain unaltered, until his emoluments exceed the total of his emoluments plus assistance prior to his entry into the non-entitled category, and the amount of assistance will be limited to the difference between the said total in the entitled category, and his emoluments for the time being in the non-entitled category.

Example 1.—An employee on Rs. 198 per mensem has 2 children in school, the board and tuition charges for each of whom amount to Rs. 30 per mensem. He is entitled to assistance (at 1/3 of the fees) amounting to Rs. 20 per mensem. He is promoted to Rs. 202 per mensem and would ordinarily be entitled (at 1/3 of the fees) to Rs. 15 per mensem. As however he was previously in receipt of Rs. (198+20=) 218 per mensem he is entitled to Rs. (218-202=) 16 per mensem.

Example 2.—An employee on Rs. 295 per mensem has 3 children in respect of whom he receives assistance (at 1/4 of the fees) amounting to Rs. 27 per mensem. He is promoted to Rs. 310 per mensem. He will continue to be eligible for assistance, in respect of those 3 children only, till his emoluments exceed Rs. (295+27=) 322 per mensem, and to the extent of the difference between Rs. 322 and his emoluments for the time being.

6. These Rules are provisional and are liable to revision in the near future when certain questions connected with the policy governing the grant from Railway revenues of assistance to Railway employees for the education of their children, which are now under consideration, have been definitely decided by the Government of India. Employees receiving assistance under these rules will automatically come under the operation of the rules as revised, irrespective of whether the revised rules provide for assistance on a more liberal or on a more restricted scale.

7. All cases involving interpretation of any of these rules, where such interpretation is in doubt, shall be submitted for the orders of the Railway Board.

J. F. BLACKWOOD,
Secretary, Railway Board.

SIMLA,

Dated 25th September 1930.

TREATMENT OF POLITICAL PRISONERS OF THE NORTH-WEST FRONTIER PROVINCE.

The Honourable Sir James Crerar (Home Member): Sir, I lay on the table the information promised in reply to starred question No. 863 asked by Dr. Ziauddin Ahmad regarding the treatment of political prisoners of the North-West Frontier Province.

The following information in answer to Questions Nos. 655 and 656 asked by Seth Haji Abdoola Haroon on the 23rd February, 1931, is laid on the table of the Legislative Assembly with reference to the answer given by the Hon'ble the Home Member to Dr. Ziauddin Ahmad's Question No. 863 asked in the Legislative Assembly on the 9th March.

Seth Haji Abdoola Haroon's Question No. 655.

(a) Mr. Ahmed Shah has never been put in solitary confinement.

(b) Khan Ali Gul Khan was admitted into the Gujrat Special Jail with symptoms pointing to slight tuberculosis at the apex of his left lung.

(c) He was released from jail on the 16th February, 1931.

(d) No.

(e) This does not arise.

(f) Both died from lobar pneumonia.

(g) No. Hasham Gul was not beaten.

(h) and (i). Do not arise

(j) and (k). No.

(l) Does not arise.

Seth Haji Abdoola Haroon's Question No. 656.

(a) Khan Abdul Akbar Khan was provisionally classified as an A class prisoner but was finally placed in B class by the North West Frontier Province authorities.

(b) and (c). No. The suggestion that Khadim Mohammad Akbar had been ill-treated in jail was made, but was found on inquiry to be entirely without foundation.

(d) All Railway Administrations are required under standing orders to report every case in which it is found necessary to carry passengers in goods vehicles. No such report has been received in regard to the carrying of prisoners in railway wagons in the North West Frontier Province.

(e) and (f). Do not arise.

(g) Government are not prepared to take the action suggested by the Honourable Member.

STATEMENT OF BUSINESS.

The Honourable Sir George Rainy (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 Monday, March 23rd. Under your direction, Sir, the House will sit daily for the transaction of Government business. On Monday, the 23rd, the House will resume the detailed consideration of the Finance Bill. I do not know, Sir, when we may expect the conclusion of this Bill and all I can say now is that on the conclusion of this Bill, the remaining Government Bills, including the Wheat Protection Bill, which I am introducing today, will be taken up in the following order:

1. The Income-tax (Amendment) Bill (motion for reference to Select Committee);
2. The Factories Act (Amendment) Bill (motions for consideration and passing);
3. The Salt Industry Protection Bill (motions for consideration and passing);
4. The Wheat Protection Bill (motions for consideration and passing);
5. The Bill to amend the Reserve Forces Act, 1888, received from the Council of State (motions for consideration and passing).

The progress of these legislative measures will be interrupted slightly by:

1. Railway Supplementary Grants, which are put down for Monday, the 23rd;
2. General Supplementary Grants, which are put down for Wednesday, the 25th;

and also two elections, one to the Standing Finance Committee and the other to the Education, Health and Lands Department Standing Committee, both of which are to be held on Wednesday, the 25th.

On the conclusion of the legislative business, there will remain for disposal:

1. A Resolution to be moved by myself for increasing the payment, to the Tata Iron and Steel Company, Limited, for rails to be ordered from that Company.

2. A Resolution in the name of Mr. Shillidy asking the House not to ratify the draft Convention of the International Labour Conference concerning the reduction of hours of work in certain kinds of employment.

3. A motion in my name proposing the appointment of a Committee to consider what should be done, when the opportunity occurs, to purchase the Bengal and North-Western Railway.

Lastly, Sir, the House is aware that earlier in the Session I undertook to find time for two non-official Resolutions, which were on the paper on the 12th February, in the names respectively of Mr. Rajaram Pandian and Mr. Jagan Nath Aggarwal. I propose to place those Resolutions on the paper below the Government business mentioned above.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE ON INDIANS OVERSEAS EMIGRATION AND HAJ PILGRIMAGE.

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain (Member for Education, Health and Lands): Sir, I move:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, 3 non-official Members to serve on the Standing Committee to advise on subjects, other than 'Indians Overseas—Emigration' and 'Haj Pilgrimage', dealt with in the Department of Education, Health and Lands."

The motion was adopted.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

Mr. President: I may inform Honourable Members that for the purpose of election of Members to the Standing Committee for the Department of Education, Health and Lands, the Assembly Office will be open to receive nominations up to 12 Noon on Monday, the 23rd March, while the election, if necessary, will take place in this Chamber on Wednesday, the 25th March, 1931. The election will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE ON ROADS.

Mr. President: Members will now proceed to elect six members to serve on the Standing Committee on Roads. There are 17 candidates whose

[Mr. President.]

names are printed on the ballot papers which will now be supplied to Honourable Members in the order in which I call them.

Lieut. Nawab Muhammad Ibrahim Ali Khan: I withdraw.

Mr. B. N. Misra: I withdraw.

Mr. Uppi Saheb Bahadur: I withdraw.

Kunwar Hajee Ismail Ali Khan: I withdraw.

Mr. R. S. Sarma: I also withdraw.

Mr. Amar Nath Dutt: I withdraw.

Mr. President: I will now read out the final list of names of Honourable Members who are still candidates:

Nawab Naharsingji Ishwarsingji.

Mr. N. R. Gunjal.

Mr. L. V. Heathcote.

Mr. B. Rajaram Pandian.

Rao Bahadur S. R. Pandit.

Mr. Goswami M. R. Puri.

Mr. Badri Lal Rastogi.

Mr. Nabakumar Sing Dudhoria.

Khan Bahadur Makhdum Syed Rajan Baksh Shah.

Haji Chaudhury Muhammad Ismail Khan.

Mr. A. H. Ghuznavi.

(The Ballot was then taken.)

THE WHEAT (IMPORT DUTY) BILL.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I move for leave to introduce a Bill to impose a temporary duty of customs on the importation of wheat.

The Bill is now in Honourable Member's hands, Mr. President, and I shall have an opportunity, when moving my next motion, to explain the provisions of the Bill at length, and I am very unwilling to take up any time of the House today when the House is anxious to get on with the Finance Bill. Sir, I move.

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): Sir, I oppose the motion. I should like to know, Sir, if the Honourable Sir George Rainy will make a statement now, or will wait till the next stage is reached.

The Honourable Sir George Rainy: Does the Honourable Member object to the introduction of the Bill, Sir?

Mr. C. C. Biswas: I object, Sir, to leave being given to introduce the Bill. I know it is not usual to oppose leave being given to the introduction of a Bill. But the circumstances today are unusual, and I make no apology for making this departure from the established practice. Sir, I do wish to record a protest against the way in which the House is being

treated by the Government in this matter. We are nearly at the fag end of the session: in a few days we are going to adjourn, and at almost the last moment, this Bill which is described as a piece of emergency legislation, is hurled at us. Either, Sir, it is the result of deliberation on the part of the Government, or it is not. If it is, I should like to ask my friends on the other side how long they have been deliberating over this matter; and if it took them weeks and months to come to any final decision, is it fair, Sir, that we on this side of the House should be given such a short time to make up our minds on such an important measure? Sir, we are being treated by my friends on the Treasury Benches as babies, not merely in this matter, but in other matters as well.

An Honourable Member: Also as untouchables.

Mr. C. C. Biswas: We are given toys to play with; and sometimes, if that does not suit them, we get the crack of the whip. Sir, I on my part refuse to be hustled in this way. I refuse to be hustled even in the interests of influential persons and persons who may have influential friends here. Sir, I should like to know from my friends in this House how many of them are likely to profit by this Bill personally.

Mr. B. Das (Orissa Division: Non-Muhammadan): None, I think.

Mr. C. C. Biswas: Sir, no inquiry has been made by this House

Mr. President: Order, order. I hope the Honourable Member does not wish to accuse Honourable Members in this House of having personally benefited financially in any way. If that is the aspersion which the Honourable Member wishes to make, I shall call him to order.

Mr. C. C. Biswas: Sir, I have no desire to cast any aspersions on any Member of this House. What I was going to ask is, whether, if this Bill is passed, it will not have the effect of putting some money into the pockets of some of my Honourable friends which they would not otherwise have obtained. I am simply asking,—I am not making an aspersion.

Mr. President: If the Honourable Member wishes to make such a charge, he ought to have the courage to make it boldly and directly, instead of implying it in an indirect way.

Mr. C. C. Biswas: There is at least one Honourable Member—I did not wish to say it—who has told me that if such a measure is introduced, it will benefit him financially.

Some Honourable Members: Name, name. You better name him.

Mr. President: I am sorry to be obliged to interfere in the debate. I do not see that that would matter in any way, to the prejudice or against the good faith of that Member. A man may be in business. We all are affected by the income-tax proposals. If there is any proposal for protection of any industry, it is perfectly natural that, as a result, some Members or some people would be benefited. There is nothing to take exception to in it. What I apprehended was that some Member might be accused of having taken advantage of the information that he may have got in the House and tried to make money by speculation. That would lay

[Mr. President.]

him open to condemnation, but unless the Honourable Member is prepared to substantiate any charge against any Honourable Member for having tried, through information obtained on the floor of this House, to benefit himself by speculating on that information, he ought not to make such an allegation. (Applause.)

Mr. C. C. Biswas: Sir, I will not pursue that matter now. There will be time enough for me to do so, and to place the evidence in my possession before you, but, Sir, what I was suggesting now was this,—that it is not fair to the House, without an adequate inquiry, without the materials being placed before us fully, without giving us an opportunity to investigate the facts and figures for ourselves, I say it is not fair in these circumstances to ask us to pass a measure of this kind.

An Honourable Member: But the House carried a cut motion in this connection the other day.

Mr. C. C. Biswas: Sir, I am reminded that the House carried a cut motion the other day. Well, Sir, I never knew that my friends on the other side were so responsive, were so quick and eager to respond to a cut motion of that kind. I should welcome it if Honourable Members on the other side showed an equal alacrity to respond to other cuts in other matters. Sir, it is significant that the response comes so quickly and in such an adequate measure only in regard to wheat. Sir, I do not know if this was intended as a political gesture; but even as a political gesture, I desire to warn my friends that the risks they are taking are very great, and a political gesture might turn out to be a political danger. Sir, it seems Bengal has come in for evil days. Bengal must be hit in every matter.

12 NOON. Whether it is salt, whether it is galvanised iron or whether it is wheat, Bengal will have to pay. I venture to assert from such meagre information, as I have been able to gather, that there is absolutely no justification for a measure of this kind. I should like to know from my Honourable friend, Sir George Rainy, if he is satisfied that there is such a menace to the wheat industry in India that a measure of this kind is called for. Whether it is really intended for the benefit of the wheat growers in the Punjab, or whether it is intended for the Lyallpur speculators, that is the point on which I should like to have some information from my friends on the other side. What is this measure? Is it protection? Is it prohibition? What is it? Unless there is adequate evidence to show that the wheat market in India is really threatened by a serious invasion of foreign wheat, I do not think any case exists for such a Bill. I should like to know what is the quantity that is produced in India, and what is the quantity which is absorbed in India. If my information is correct, the average consumption is a little over 8½ million tons, and you have a surplus of something between one million and 1½ million tons. Whether my figures are correct or not, I do not know, but my complaint is that, without supplying these figures to the House, it is unfair to ask the House at the far end of the session to agree or assent to such a measure. We know that recently, not during the current year, but in the preceding two years, in 1928-29 and 1929-30, there was a scarcity of wheat in India.

The Honourable Sir George Rainy: On a point of order. I would invite your attention to Standing Order 37 which says:

"If a motion for leave to introduce a Bill is opposed, the President, after permitting, if he thinks fit, a brief explanatory statement from the Member who moves and from the Member who opposes the motion, may without further debate put the question".

A good many of the arguments used by my Honourable friend are, I think, arguments not why the Bill should not be introduced, but why it should not be passed, a question which cannot be before the House at present. Also I suggest he is inclined to give a somewhat lenient interpretation to the word "brief".

Mr. C. C. Biswas: May I explain? That is just the reason why I had asked if the Honourable Sir George Rainy would give a brief explanatory statement when asking for leave, and in that case, I should have been spared a lot of what I said and what I am going to say.

Mr. President: The Honourable Member cannot say much more in view of the Standing Order to which attention has been drawn. I did not like to interrupt the Honourable Member, but the Honourable Member is fully aware that at this stage only a brief expression of views is permitted. I will ask the Honourable Member to reserve all he has to say to when the proper occasion arises in considering the Bill. The Honourable Member's protest is noted that he is against leave being granted. It will now be for the House to decide whether they will give leave or whether they will withhold it.

The Honourable Sir George Rainy: I should like to say in a single sentence that in all questions of imposition of duties, it is not common to give a very long notice before hand. It is usually desirable that changes should be made rapidly. Beyond that, I would reserve anything I have to say to some subsequent occasion, if the House should grant such subsequent occasion.

Mr. President: The question is:

"That leave be granted to the Honourable Sir George Rainy to introduce a Bill to impose a temporary duty of customs on the importation of wheat."

The motion was adopted.

The Honourable Sir George Rainy: Sir, I introduce the Bill.

THE INDIAN FINANCE BILL—*contd.*

Mr. President: The House will resume further consideration of the Indian Finance Bill. Before the discussion proceeds, I should like once again to appeal to Honourable Members to be as brief as possible, as there are still several Members who wish to address the House.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadian Rural): I shall try to be as brief as possible.

[Mr. Amar Nath Dutt.]

Sir, at one time I thought that I would follow the principle of grievances before supplies and was going to remind this House that all the imposing architecture of this labyrinthine building as well as all the sanctimonious piety of the apologists of Government fail ignominiously to overshadow the lengthening lurid lights of Midnapur and Dacca. But on second thought, I have kept the incidents of Midnapur sacred in this pamphlet, which the time-servers of this moment think that they can stifle by law making powers. Sir, this is a Report named, "Law and Order in Midnapur 1930", which is the Report of an enquiry which was conducted by no less a man than the President of the Indian Association at Calcutta, I mean Mr. J. N. Basu, who is as honourable as any of our Round Table Conference wallahs like Mr. Mudaliar, Mr. Mody and Sir Cowasji Jehangir and others. Sir, we know and we have read from day to day harrowing tales of the atrocities to which this unfortunate district was subjected by the executive of the province and it became imperative on the public men of the province to have a non-official enquiry, for we know the results as well as the value of official enquiries in these matters which are nothing but a white-washing business. Sir, this Report has been published and it is said that it has also been proscribed. I hold a copy of this Report in my hand. Here I am free to hold it, but outside this House, probably the Government will snatch it away from my hand. This Report has a note on the first page to this effect:

"These reports are a commentary, and an eloquent commentary, coming as they do from men who, though responsible citizens, have been aloof from the Civil Disobedience Movement in Bengal."

I ask the Treasury Benches to mark these words:

"have been aloof from the Civil Disobedience movement in Bengal, apparently because they have still an unshaken faith in the ultimate justice of the British Raj."

Sir, these pages will show that burning, pillage and assault and detention have been simply useless in arresting the progress of the spirit of liberty in the people ready to suffer the worst for the most cherished spiritual possession that man can have and which God has given him. Sir, the Enquiry Committee consisted of men, like my Honourable friend Mr. K. C. Neogy, Mr. J. N. Basu and others, and in the concluding lines of their enquiry, in the most moderate language possible, they observe as follows:

"The incident at Chhorepalia showed not only disregard for human life, a defiance of law and necessary legal requirements but also the incompetence and perverseness of these concerned. It was an incident that would have called for drastic action in any civilised country."

But up till now, though we cried ourselves hoarse in this House from the Simla Session, asking for an enquiry into the Midnapur affairs, the Government have kept silent. Not only that. When people wanted to co-operate with them by having a non-official enquiry and presented their Report, they treated the Report with contempt by proscribing the same and not allowing the same to see the light of day.

I feel that this is the occasion in which I have an opportunity of having to record some of the misdeeds of the executive in this land who are

in charge of the Government of this country. Sir, I draw up an indictment against them for their callous brutality, and barbarous acts the like of which is not heard in any other country except this unfortunate land of ours. Sir, this Report has been proscribed.

Mr. R. S. Sarma (Nominated Non-Official): How did the Honourable Member get hold of it and will he take it out of the House?

Mr. Amar Nath Dutt: I will not yield to you; you hail from Madras.

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

Mr. Amar Nath Dutt: Sir, I will not yield to that gentleman from Madras who is making his fortune in my unfortunate province and has never been a friend of my province although unfortunately one of the oldest newspapers of my province has passed into his hands somehow or other.

Mr. R. S. Sarma: That is quite irrelevant.

Mr. President: Order, order.

Mr. Amar Nath Dutt: Sir, I am not giving way to the Honourable Member, and what I say is that if the Government thought that anything that was contained in this book was not correct or contained untrue allegations, their first and foremost duty would be to prosecute the man who published it or the compilers of the Report. They have not done so and they do not dare do so, because they know that all the ugly incidents will come out before the public and therefore they want to suppress it.

Mr. R. S. Sarma: Sir, on a point of order, I want to know whether, although speeches here are privileged, an Honourable Member can make use of a proscribed book.

Mr. Amar Nath Dutt: It can at best be forfeited to Government, and if the Government so like, I will make a present of it to them. Here I hold it in my hand and they can prosecute me for possessing it if the law goes so far as that.

Mr. B. Das (Orissa Division: Non-Muhammadan): Lay it on the table.

Mr. Amar Nath Dutt: Sir, as desired by my friend Mr. Das I shall lay it on the table for the information of everybody concerned.

Mr. President: Order, order. A point of order has been raised which appears to me to be a rather difficult point to decide. It is a well-known legal maxim that you cannot do indirectly what you cannot do directly. And it seems to me that the Honourable Member is trying indirectly to get publication of proscribed literature by this means. On that point I should like to hear one or two Members of the legal profession. It appears to me that it is not permissible to do indirectly what cannot be done directly.

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, I should hesitate to give an opinion offhand on a matter of such importance. I should like to consider it before I can offer any help to the Chair in this matter.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I feel that it is perfectly legitimate for any Member of this House to deal directly with a proscribed document and that is why we have the phrase "privilege of the House". Under the privilege of this House we have every right to make use of a document which comes into our possession, and if the Government were to challenge the Member concerned to make use of the document outside the House, it is for the Honourable Member if he so chooses to accept that challenge. But there is nothing whatever to prevent any Honourable Member of this House from using the privilege of this House in the public interest, especially when he is convinced that the proscription of that document is open to question (*An Honourable Member*: "Illegal") or, as my Honourable friend Mr. Mitra truly says, "illegal", as Members of his party feel on that matter. Sir, the Leader of my party has already said that, so far as the legal aspect is concerned, it may be a matter for consideration and we must bow to his legal wisdom. But so far as political responsibility in this House is concerned, I think it is open to everyone of us to make use of a public document which the Government have proscribed simply because they are clothed with an authority unknown to the executive in other parts of the world. A Government which is not responsible to the Legislature may be inclined to abuse its power and proscribe publications which might never have been proscribed in those parts of the world where responsible Government prevails. And in view of the fact that Government have been carrying on a campaign in this country which is for the time being suspended, namely, a campaign by ordinances and also by methods of proscription and such things, I think it is a legitimate, proper and constitutional duty for us to make use of documents like this which come into our possession.

Mr. President: Before I allow the discussion to proceed, I should like to point out to Mr. Ranga Iyer that, so far as the policy of Government is concerned, it is perfectly open to Honourable Members to criticise it as strongly as they like. But that is not the issue which is now before the House and on which I am consulting them. If the Honourable Member had got up, and very severely criticised the policy of Government in any department he would have been quite in order in doing so. But the question that has been raised now is this that when a document has been proscribed,—whether rightly or wrongly is not the issue before the House—is it permissible for any Member of the House who happens to get possession of that document to read it before the House so that it may go into the proceedings and become public property? That appears to me to be doing indirectly what could not be done directly and it is on that issue that I want the views of some legal Members. The issue is not whether the policy of Government in proscribing this or any other document is or is not open to criticism that any Honourable Member may wish to pass.

Diwan Bahadur T. Rangachariar: Sir, I just looked up our rules of procedure and there are two rules, i.e., 56 and 57, bearing on this point. If you look at page 20 of the Manual, you will find that rule 56 runs thus:

"56. Subject to the rules and standing orders there is freedom of speech in the Assembly. No person shall be liable to any proceedings in any court by reason of his speech or vote in the Assembly, or by reason of anything contained in any official report of the proceedings of the Assembly."

The rule 57 runs as follows:

"57. (1) The matter of every speech shall be strictly relevant to the matter before the Assembly.

(2) A member while speaking shall not:

- (i) refer to any matter of fact on which a judicial decision is pending;
- (ii) make a personal charge against a member;
- (iii) make use of offensive expressions regarding the conduct of the Indian or any local Legislature;
- (iv) reflect upon the conduct of His Majesty the King or the Governor General or any Governor, . . . etc., etc.
- (v) utter treasonable, seditious, or defamatory words; or
- (vi) use his right of speech for the purpose of wilfully and persistently obstructing the business of the Assembly."

I am afraid that this matter which my Honourable friend is referring to does not come within any of these prohibitory clauses. He is not uttering any treasonable or seditious words and he is not using his right of speech for the purpose of wilfully and persistently obstructing the business of the Assembly. Now does it come under any of the other previous clauses. I do not see any other provision which will help us in this matter, and so the whole thing is, is it relevant to the matter before the Assembly? That is for you to decide, whether it is relevant to the matter before the Assembly. He has got entire freedom of speech which is controlled only by clause 57; and so long as there is no prohibition under the rules, it must of course be left to the individual judgment of each Honourable Member as to how he used that right. My present opinion is that the Honourable Member will be within his rights in referring to literature even though it is proscribed, whatever consequences he may take thereupon in another place.

Mr. Amar Nath Dutt: What I say now will obviate all difficulties. This book has not been proscribed in the province of Delhi or by the Government of India; it has been proscribed only by the Government of Bengal in Bengal and not in any other province. I may also point out that last time Mr. K. C. Neogy made use of those portions of the Report which were then published. I shall quote a very few extracts to bring before this House the happenings of that unfortunate district. (*An Honourable Member*: "Place it on the table.") Yes, I am ready to do so. . . .

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, I shall give you an instance, if I may, which might probably help you to pass your ruling. In the Madras Legislative Council, once when the famous Bharati's songs were proscribed, one Honourable Member rose in his seat and sang some of the songs. Your difficulty and the point of order arises when my Honourable friend, Mr. Amar Nath Dutt, begins to read extracts from the proscribed book, supposing he was clever enough to learn those portions by heart and repeat from memory. I would like to know how you could object and what would have been the position.

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): As a matter of fact I may just inform you that when the Late Pandit Motilal Nehru quoted from a book which was proscribed—"India in Bondage"—and when Sir Darcy Lindsay objected, your predecessor, Mr. Patel, allowed him to speak on that very issue and allowed him to make the quotation.

Several Honourable Members: Law Member, please.

Sir Lancelot Graham (Secretary, Legislative Department): Sir, I find myself in a somewhat embarrassing position. But I wish to say this; had Diwan Bahadur Rangachariar not risen and said what he said, I should have risen and said what Diwan Bahadur Rangachariar has said. (Opposition Cheers.)

The Honourable Sir Brojendra Mitter (Law Member): Sir, I must confess that I have not considered this point before; but hearing the debate here I have formed conclusion in my own mind. I think reference can be made to literature which is proscribed (Opposition cheers). Supposing an article is seditious and a man is being prosecuted for sedition in a court of law, you can quote that article for the purpose of showing that it is not seditious. Therefore, in the court proceedings the whole of that article may go in, although it may be eventually held to be seditious. You cannot prevent the publication of it in the court proceedings. Similarly, if in laying a charge against, say, the Home Department, an Honourable Member contends that the Home Department was not justified in proscribing a particular piece of literature, then he could quote that literature in the House for the purpose of indicting that Department. He may be right, he may be wrong; but you cannot prevent a Member from referring to it in support of his contention. The Home Department may be able to convince the House that it was perfectly within its rights to have proscribed it, but that cannot prevent a Member on the Opposition Benches from referring to it in support of the opposite contention. (*Opposition cries of "Hear, hear."*)

You quoted, Sir, a legal maxim that you may not do indirectly what you cannot do directly. At the same time, there is another legal principle, and that is this; that what is not directly evidence may be referred to for collateral purposes. I will give an instance. Supposing a will is propounded for probate in a court of law. Another party in contesting that will may refer to an earlier will, which was not properly attested, for the purpose of showing the intention of the testator. For that collateral purpose he can use that document though it would not be substantive evidence in the case. Similarly, I submit that the proscribed literature cannot form part of the proceedings of this House; but I will not go to the length of saying that because, it cannot form part of the proceedings of the House you cannot refer to it for the purpose of showing that the order of proscription was wrong.

Mr. President: I think it is clear now what the ruling should be. The Honourable the Law Member has clearly explained that it is open to Honourable Members, in support of any argument which they may wish to advance, to quote from proscribed literature, but they cannot read the whole of it with the intention of getting full publication in that way. I will for the present accept that view and allow the Honourable Member to continue his observations and to quote from the book he was reading.

Mr. Amar Nath Dutt: I gratefully acknowledge what has been said by my friend, Sir Brojendra Mitter, and in fact it seems that the instincts of a lawyer have not left him, in spite of his occupying the Treasury Benches there, and I wish the same spirit may pervade other Members too on the Treasury Benches and I hope the other Members will emulate

my Honourable friend over there; and I also thank my Honourable friend, Sir Lancelot Graham, for having come to the same view. In fact I have often found English officials to be fair and just.

Mr. President: Will you please go on with your observations?

An Honourable Member: What about Mr. Sarma?

Mr. Amar Nath Dutt: I do not take notice of Sarma who come and go as occasion arises. This Report contains incidents which, if I read them before Honourable Members, would make their blood boil. It is necessary for me to read one or two passages only from the book and not the whole of it to convince them of what I say. I am sure from the spirit in which Sir Lancelot Graham approached the question, they will make an enquiry into this matter. This is what the Report says:

"The members next visited the house close by, where they found a girl, about 18 years old, in advanced stage of pregnancy. Her name was Ambu. She was breathing with difficulty, her eyes were closed with tears trickling. She made her statement with some difficulty. She complained of her breast being twisted and of her being kicked on her hip." (*Cries of "Shame."*)

Here is the story of an unfortunate girl being assaulted in a most shameless manner. I appeal to the Members on the Treasury Benches over there to take steps because you know what has been the fate of Troy and the fate of Ceylon for having insulted the womanhood of a country. Beware of that. Ask your executive to beware. If they treat our women folk in the way in which it is alleged here, take it from me that your days are numbered and your fate is doomed. You will not be here for any length of time. So in your interests and also in the interests of ourselves, I trust you will make inquiries into this serious allegation.

Sir, I shall read only one other incident to show how people were killed by drowning, and that was in Chorepalia:

"The evidence showed as to what had taken place in front of the house of Kshirod Chandra Jana on the 8th September, 1930. The incidents as disclosed in the evidence were that some officials, including the circle officer and a police officer. . . ."

—here let me explain to the House, the Circle Officer is a class of officer who has been introduced in Bengal to form a link between the executive and the people and to demoralise them,—

"... had come to the village of Chorepalia on the 7th September, 1930, accompanied by several policemen. The villagers took their object to be to realise the chowkidari tax from them by violence. The policemen were quartered partly in the house of Brojo Panda and partly in the house of Kshirod Chandra Jana. In order to go to Kshirod Chandra Jana's house, the house of Brojo Panda had first to be passed to the left. A little beyond Brojo Panda's house was a tank to the right, skirting one side of the lane, and skirting the other side of the lane was the fence enclosing the compound of the house of Kshirod Chandra Jana and others. On the afternoon of the 8th September, 1930, a large number of villagers from the neighbourhood who had no weapons of any kind with them went towards Kshirod Chandra Jana's house to wait on deputation before the Circle Officer. When the crowd came up to Kshirod Chandra Jana's house the men in front with folded hands told the Circle Officer and the Police Officer (who had a deformed hand) that they were unable to pay the Chowkidari tax owing to their poverty and they asked that either the tax be remitted or that further time be allowed to them for payment."

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LEGISLATIVE ASSEMBLY.

[20TH MAR. 1931.]

[Mr. Amar Nath Dutt.]

Here the House must remember that this was done before the introduction of the no-tax campaign. Honourable Members know the extent of the distress prevailing in the country in this year in particular, and my Honourable friend the Finance Member has pointed out in no unmistakeable terms that, owing to trade depression, he is bringing the Finance Bill in in this form, and I know that his sympathy will be with us when I place before him the condition of the poor agriculturists and tell him that they cannot really pay the tax, and therefore they begged of this Circle Officer that either the tax should be remitted or that further time should be allowed to them for payment. Now, what was the crowd like? The Report says:

"The entire crowd was in a suppliant mood, while the parley between the spokesman in the crowd on the one hand and the Circle Officer and the President Panchayat and his people on the other was going on, some gave orders to the policemen who were armed with lathis and guns to charge the men in the crowd. The policemen at the house of Kshirod Chandra Jana charged the men of the deputation with lathis in their front while they were attacked in the rear by the policemen issuing out of Brojo Panda's house.

The men in the crowd who did not display any violence were hit with lathis by the policemen. Had the crowd any inclination towards violence, the result might have been different as the crowd was large enough to overpower the police force. The crowd wanted to go back, but as the policemen from Brojo Panda's house attacked them from the rear, about 200 men went into the tank with a view to escape. As regards the rest of the crowd, some were arrested and others ran away. The policemen went to the banks of the tank. The men in the water were struggling to get out. As they approached the tank they were hit with severe blows on the head by policemen with lathis or were pelted by the policemen with hard sods. The men were in such a helpless position that they could not possibly do any injury to the police. The conduct of the police in beating them severely with cudgels was uncalled for and unjustifiable."

The Report further says:

"Of the witnesses examined by the visiting members, sixteen bore marks of injury in different parts of their bodies. Some of them had their wounds on heads still raw. Three of the witnesses who had wounds on their heads took off their bandage to show their wounds to the inspecting members. The wounds so exposed were of a severe character. Some of the witnesses were still in a weak condition. Five dead bodies floated up in the tank next day. The evidence showed that three of them had their heads smashed, and one of them had the left forehead smashed. Of those killed the evidence showed that at least three had not been assessed for the chowkidari tax."

Sir, I beg to be excused for this lengthy quotation. As I began by saying, grievances must be redressed before you ask for supplies. I should also like to quote some of the incidents which took place at Dacca and Midnapore, but, Sir, Dacca and Midnapore will, I am sure, burrow deeply and eat into the foundations of all possible and impossible Governments. A Mahatmaji's blessings and employees' Garden Party are not a fitting sequel to the history of this unhappy land for the past twelve months. I frankly warn the Government on this occasion that Mahatmaji's goodness will not avail. The price of Midnapore and Dacca will have to be paid and I as a part, though an insignificant part of this Government, would like the price to be paid amicably. Mahatmaji may be silenced, and inquiry may be diplomatically avoided but the mills of Providence will grind on slowly but surely.

Sir, I have tried to avoid all those topics so that the peaceful atmosphere created by the truce may culminate in everlasting peace, but if I have made reference to them at all, it is with a view to bring to the notice of this House and of those who are responsible for the government of this country the exact picture so that they may give us relief.

Then, Sir, with reference to the Finance Bill, if I submit that our opposition to this measure has been only for constitutional reasons, I need not remind Government that good government is no substitute for self-government and the time of trusteeship is over, and it is now time to play the role of a friend, so that we may work side by side for many long and weary years to come for the mutual advantage of both, for the mutual advantage of each community, with peace and goodwill prevailing in the land.

Sir, there has been a truce, and I wish this truce may lead to everlasting peace in the land wherein both the Indians and Britishers could play their role well and for the good of the people. Sir, in this truce one thing is sadly lacking, and that is the release of detenus. Whether that was intentionally avoided or it escaped through oversight, I cannot say, but I submit that, in order to create a peaceful atmosphere, the first thing required is the release of the detenus. The other day in answer to a supplementary question of mine, the Honourable the Home Member was pleased to observe that the question did not come within the purview of the terms of settlement. I beg to remind the Government that it is not a question of quibbling as we do in law courts, but it is a question of fair and honest settlement between ourselves, I mean a heart to heart talk with Government, in order to arrive at a peaceful settlement. And if that is so, I beg to submit that, if they could accede to the prayers of the people about releasing those who are convicted of an offence, whether that offence was created under an ordinance or under the Indian Penal Code, they must also take into consideration the cases of those who are detained merely on suspicion and not because of any proved guilt of theirs.

I am very sorry that I have not been able to be as brief as I intended to. I shall pass over many things that I wanted to say and merely say this. I feel that the power of the purse given to this Assembly is rather an unreality. We are moving in an atmosphere of unreality because out of the sum of 135 crores we have power only with respect to Rs. 28 crores, for we cannot touch the military expenditure and the non-voted items. About military expenditure much has been said here and I won't take up the time of the House by reiterating those arguments. But I will say this much. The Brussels Conference pointed out that the military expenditure of no country should exceed one-fifth of its revenues, and in that view, the cost of our military expenditure ought to be less than Rs. 80 crores. Of course, when I am criticising military expenditure, the charge may be levelled against me that I have never set a squadron in the field and therefore I am not competent to speak about it, but I make bold to say from what I know of the Indian Army that half of it is maintained for Imperial purposes, and in all fairness England ought to bear half of its cost.

There is a deficit Budget and my Honourable friend, Khan Bahadur Haji Wajihuddin, whom I miss here today, was pleased to say, cut your coat according to your cloth. I admit that such similes are not always

[Mr. Amar Nath Dutt.]

very good arguments, and my Honourable friend over there, Sir Hugh Cocke, said in reply, "If the cloth is not enough to cover the body, what will you do?". My Honourable friend Maulvi Muhammad Yakub immediately got up and said, "If you cannot have a coat, have a waistcoat". I would go further than that and say, "If you cannot have cloth to cover the whole body get only a *kacpeen*, and be satisfied. I must congratulate the Honourable the Finance Member over there for announcing the appointment of a Retrenchment Committee and I hope that with the help of that Committee he will be able to get what he wants, and I wish him all godspeed because he has been very anxious to leave to his successor a sound financial position before he vacates his office. But I should like the Honourable the Finance Member to stay on for some time and start our new constitution because we know what admirable service he has rendered to this country. Though he has not always been able to drag the members of the Civil Service with him, still he has done what he could under the circumstances, and those who were in the Standing Finance Committee know his services, how he himself, without any suggestion from any of the members, was pleased to curtail many of the items of expenditure.

On a closer examination of the Budget, I have found that the Government know well how to take up the burden when challenged. In the main, the incidence of taxation proposed in the Finance Bill under consideration will not touch the politically agitated class. This homage paid, I gratefully acknowledge. The burden has been placed on the shoulders of those who will not work up an agitation. I may not understand why imported coal, vegetable ghee, tinned foodstuffs, galvanic wire and wire-nets, electric fans and batteries, imported railway materials, arms and ammunition, escaped the notice of the Honourable the Finance Member. But at the same time, not a pice of the non-votable Demand can be touched. Why? The Government of India never acknowledges that winter ever comes to them. Perhaps, they have so much accustomed themselves to the cold weather of Delhi and Simla and to the festivities, that without these they cannot have life. My curiosities must wait on another consideration.

For the past eight years, I have marked these fruitless debates. On each occasion the Treasury Benches amuse themselves on the groaning cries of the representatives of impoverished India. This year, too, there will be no difference. But, however much the Honourable the Finance Member may feel gratified that he has tided over the agitator's outcries, the final issue of this top-heavy administration still awaits solution. Even if, in this year of all round depression, the Government do not think of real retrenchment by curtailing the Imperialistic Demand of the Army, the veritable parallel of Nero fiddling while Rome is burning is again illustrated. I know hard words break no bones. But the callousness and Imperialism which has reduced one-sixth of the human race to this miserable condition must be recorded if I have to be true to my own people.

With these words, I oppose the consideration of the Finance Bill.

Mr. President: I propose now to adjourn the House till a quarter past two. When we meet again after lunch, the House will proceed with the further discussion of the Finance Bill. I know, that there is still a

large number of Honourable Members who wish to address the House. I am powerless to regulate the debate as I should like to, if Honourable Members, after the many appeals that I have made to them, still continue to speak at great length. If that is so, and if closure is applied, I shall not be responsible if all the Honourable Members who still desire to address the House are unable to do so. If even now the speeches are brief, many more Honourable Members will be able to participate in the debate. I hope that Honourable Members who have taken so much time in addressing the House will realise that it is they who are responsible for some of the Members not being able to partake in the debate on this important occasion. The House will now adjourn till 2-15.

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.

Shaikh Sadiq Hasan (East Central Punjab: Muhammadan): I take this opportunity to say a few words about the enhancement of taxation. Certainly I would have had no objection to the enhancement of taxation if this money had been taken out of the pockets of the rich people in order to help the poor and needy, if this money had been spent on old age pensions or a health insurance scheme, if this money had been spent in order to give employment to millions of starving Indians. But no such thing is done with this new taxation. Most of this money would be spent upon the extravagance of an extravagant Government and amongst the Departments, the holiest of the holies is the Military Department which nobody is allowed to touch. I need not speak at great length about the military extravagance because so many Members have already spoken about it, but let me confine myself to one thing and say this, that those people who have something to do with the commissariat have found the surest way to riches. Whoever comes in contact with the commissariat department becomes a rich man. Once you go over there you can get as much money as you like, on account of the carelessness of the Military Department. Sir, I am not one of those sickly sentimentalists who believe that there should be no army; I believe for the protection of the motherland; it is absolutely essential to have a very strong and well equipped army. Unless you have it, the result would be that the country would be invaded by foreign enemies and neither the masses nor the political leaders would be able to save the country from the foreign invaders. If you want to have a strong army, it means that it should be very well equipped. We have only recently seen how Amir Amanulla Khan lost his country to a brigand because he had not got his army in order. In the same way India was lost to the English at the battle of Plassy not on account of the superior valour of the English or the discipline of Clive or the treachery of Mir Jaffer, but only for one reason. That is, that Surajud Doulah's army was armed with bows and spears while the enemy was better equipped. My object in saying these things is this, that in order to defend your country, you must have a strong military force well equipped, but it does not mean that you should spend lavishly upon that Army.

[Shaikh Sadiq Hasan.]

Now, Sir, there is another problem about which I would like to say something and that is about the North West Frontier Province. I am not going to allude to the excesses committed over there during this year. A truce has been signed between Mahatma Gandhi and His Excellency the Viceroy, and I will be the last person to say anything which may create unpleasantness, but I have got every right to say a few words about the misgovernment in that unhappy land for the last 29 years. Most of the Members know that this province never existed till 1901, but it was only in 1901 that the evil genius of Lord Curzon conceived the forward policy, and five districts from the Punjab, the districts of Peshawar, Bannu, Kohat, etc., were separated. Before 1901 these districts were very well governed, like other districts of the Punjab. They were as advanced as any of the Western districts of the Punjab, but during these 29 years, on account of the forward policy of Lord Curzon, India has been squandering millions of rupees there to no good purpose, except that it has made this province the scapegoat of imperialism. I suppose, Members already know but let me repeat once again that in the Frontier Province there is very little education. Would you imagine that for a population of three millions the Government have not got one college, neither an arts college nor a technical college and that the Government have kept that province intentionally backward. They would not give education to the girls and there is not one Government high school for girls. During these 29 years while India has been slowly advancing in every direction, even elementary civic rights have been denied to the people in the Frontier Province. The people in the Frontier Province have got municipalities but they have not even got the electric system in these modern times. I would say it is impossible in this hotbed of tyranny for the Press to flourish. There is not one newspaper, although thousands of papers go there from the Punjab. There is not one daily paper over there, because as soon as you start a Press, it is confiscated by that benighted Government. Besides so much secrecy is kept over there about the affairs of the province. Last time when Pandit Madan Mohan Malaviya wanted to go over to distribute some money to those who had suffered, despite his promise that he would not agitate and that he would not create any ill-feeling against the Government, he was not allowed to go. Such is the secrecy which is kept in that province, and what do the Government do? In order to create ill-feeling, against the Frontier Province the Government start all sorts of mischievous propaganda. Sometimes, in order to excite the English people in England, they say that the frontier people are Bolsheviks, and although men wear crimson dress and the women black, the Government call them red shirts. Now, Sir, the movement is led by the Khans who own property. Have you ever heard of Khans, who are the property owners, leading the communist movement? In the same way, the volunteers are called the servants of God, Khuda-i-Khidmatgars. We always know the Bolsheviks to be Godless people, but have you ever heard of the servants of God, being Bolsheviks? Then in order to create a false fear among the Hindus, the Government try to create mischief in this way. They say that these people have invited the trans-frontier people in order that they may gain sympathy for their repressive measures. Now, I am glad to say that these frontier people have cast their lot in with the Congress people. Surely, the people who identify themselves with the Congress movement

cannot be said to be identified with the Afghanistan Government. Sir, I may point out one thing. The Frontier Province has always been part and parcel of India. Peshawar was part and parcel of India when the Punjab was conquered by the English. One thousand years ago Peshawar was part and parcel of India when Mahmud of Ghazni invaded India. Further, 500 years ago in the early centuries of A. D. Peshawar was part and parcel of India when it was part of the Empire of the Kanishka. So the Frontier Province has always been part and parcel of India, and I would say that it should always be treated in the same way as the other provinces are. I am glad to say we have heard a great deal about the Frontier Crimes Regulation, the Frontier Murderous Outrages Act and such other barbarous laws. I need not detain the House by explaining what they are, because they have already been explained. I was glad to see that Mr. Acheson made the statement that they were going to have a committee to investigate into these laws. Personally, being a strong partisan of the Frontier Province, I should say that these regulations should be repealed. On the other hand, Government have considered it wise to appoint a committee which, besides the officials, as Government have promised, will contain an adequate number of non-official Members, and should have such non-official Members in whom the communities consisting both of Hindus and Muhammadans have got confidence—not such Members as those who, like oysters, go to the authorities in order to get jobs and make such committees stepping-stones for the higher honours. I hope, Sir, this point will be borne in mind by the Government when selecting the personnel of the Committee, and that they would have people in whom both Mussalmans and Hindus have got confidence. (Hear, hear.) Sir, what we really want is this. We want that the administration and the constitution and the laws of the country should be brought up to the same level as in the Punjab. I would like to make it clear that I am pleading for the five administered districts which were once part and parcel of the Punjab. I am not at the present moment saying anything about the tribal tracts, and I think my Hindu friends and others will certainly have no objection if these districts get the same rights and privileges as the other parts of India, because there is one thing which I would again like to say, that the frontier people have sacrificed a great deal, just as my friend, Sardar Sant Singh, contended about the Sikhs, that the Sikhs have fought in the armies of the British, in the same way these frontier people have been always serving in the Army; and if you give contentment to the frontier, naturally the people will become a barrier against any foreign invasion, and in this way most of the money which is spent unnecessarily on maintaining a very large army may be saved.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I was touched by some of the expressions which fell from the Front Opposition Bench yesterday, perhaps because I have not yet got fully accustomed to the change of atmosphere in this House which has come with the new Assembly. In a previous Assembly I was sometimes tempted to think that the impression produced on the ears of the Opposition Benches by the speeches from these Benches was something like what Milton describes in two famous lines:

"Their lean and flashy songs
Grate on their scrannel pipes of wretched straw."

[Sir George Rainy.]

But I am tempted to hope from what I heard yesterday that on the Opposition Benches they are as anxious to hear Members of the Government as if they were to listen to some new melody, or:

"That strange song I heard Apollo sing
When Ilion, like a mist, rose into towers." (Cheers.)

In any case, Mr. President, although I do not intend to speak at any length, I hope to be able to deal with two or three of the points which were specially noticed on the other side yesterday. There is one aspect of this annual debate on the second reading of the Finance Bill which does create certain difficulties for Members of the Government if they wish to intervene. Inevitably, the discussion takes such a wide range that there is hardly a subject within the whole sphere of administration which is not raised by one Member or another. Now if the Members of the Government are to reply to everything that is said on those generous and liberal lines, I am afraid it would not be a case of 5 or 6 days, but of 10 or 12 days which would be necessary for the second reading stage. In addition, I wonder if the House will forgive me if I say that I have sometimes listened to speeches made on this occasion in which perhaps the main object of the speaker was to deliver his speech whether there was any answer to it or not. (Laughter.) On the other hand, I should like to say this that, although I was unavoidably prevented from being present on two of the days and for part of the third day during this discussion, from what I have heard I have been impressed by a sense of reality, and by the fact that we are getting on this occasion much closer to actual business than perhaps we have been able to do in previous years. (Hear, hear.)

Now, Sir, I shall devote the main part of my speech to dealing with one particular point which was mentioned by my Honourable friend, the Leader of the Opposition, yesterday, and I understand from the newspapers that it was dealt with much more fully by my Honourable friend, Mr. Jamal Muhammad Saib on an earlier occasion when I was absent—I mean the question about the possibility of an increase in the export duty on hides and skins. My Honourable friend, the Leader of the Opposition, did not—I am afraid I did not hear all that he said—but I think he did not go into the matter with great fulness. What I did hear created an impression in my mind that he was thinking of it from the point of view of import duties. Sir, I do not think that is an important aspect of the subject. As long ago as 1923 an application for protection in the ordinary sense was put in by one tannery in Calcutta, and as soon as it was announced that the Tariff Board would inquire into it, the application was withdrawn. Since then, the only occasion on which I recollect that the matter has been brought up was in connection with the importation of boots and shoes, shoes principally, from Japan, not made of leather at all, but I think with canvas uppers and rubber soles. Obviously, from the point of view of protection these facts raise the problem whether we are to use protective duties to compel people to wear shoes made of leather when they prefer to wear shoes made of other materials which are intrinsically cheaper. That I think would be a rather difficult proposition to support. But I only refer to that aspect of the case in passing, because what the industry, I have no doubt, is mainly interested in now is not

the import duty on leather, but the export duty on raw hides. I should like briefly just to recount the history of that question. In 1919 a 15 per cent. export duty on hides and skins was imposed, with a 10 per cent. rebate on exports to other parts of the Empire. That duty was definitely intended as a measure of protection, to try and help the tanneries which had come into existence, or been expanded during the war, and also, looking at it from the point of view of the Empire as a whole, to encourage the tanning industry in Empire countries, by making the raw materials relatively dear in other countries. But by 1923 Government were satisfied that, as a protective measure, the scheme had proved a failure. It had inflicted a certain amount of injury on the producers of hides and skins, but it had not proved a success as a protective measure to assist the tanning industry. In 1923, therefore, the duty was reduced to 5 per cent. all round. Then in the Finance Bill of 1927 Government proposed to abolish the 5 per cent. duty altogether. There was a very keen and interesting debate on which the question was fully examined—one of the speakers was my Honourable friend the Deputy President—and as a result of the division, the voting was a tie and the Chair gave its vote in favour of the maintenance of the *status quo*. It was perfectly clear from the debate that there was a clash of interests, on the one hand the interests of the producers of raw hides and skins and on the other hand the interests of the tanning industry.

The next step that was taken was to appoint the Hides Cess Committee to investigate the question whether, by the imposition of a comparatively small cess, the proceeds of which would be devoted both to improving the tanning methods and also the preparation of raw hides and skins, it would be possible to help the tanning industry as well as the producers of raw hides and skins. The Committee has submitted its Report, and as it is a matter in which we have to carry the Local Governments with us, we have referred it to the Local Governments, and I believe we have so far had replies only from three or four of them.

The peculiarity of the tanning industry, especially in Southern India—I am not speaking of Northern India where the conditions are different—is that the tanneries in Southern India are crying out for protection, but it is not the domestic market they are anxious about, but the export market. The difficulty they have in selling their products does not arise from conditions in India, but from conditions abroad. Now, it is always a very difficult matter to protect an industry in that position unless of course Government and the Legislature are prepared to do it in the form of direct financial assistance. But if that method is not in question, it is always an exceedingly difficult thing to devise effective means by which it can be done. In this case, what is asked for is a higher export duty on the raw materials in the hope that, as a result, the Indian tanneries will be able to buy their raw hides and skins cheaper than they do at present. One of the difficulties is that, unless the country has something approaching a monopoly of the raw material, it may very easily happen that, while the export duty may do some damage to the producers of the raw materials, it is not successful in assisting the manufacturers because the manufacturers in other countries resort to other sources of supply and develop these sources of supply, and in the end are no worse off as a result of the duty. That, to my mind, has always

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been a very real difficulty in this case, particularly, as regards hides, for there are plenty of other places in the world from which hides can be obtained, the Argentine Republic, for one. There is also another objection against this proposal, that at a time like this, when prices have fallen very rapidly—I think the fall in the price of hides varies between 25 and 40 per cent., it is obvious that with a reduced demand, it would be easier for other countries, if they found that Indian hides had become more expensive, to resort to other sources of supply. Therefore, it is clear that Government would require to be very sure of its ground in this matter before it took action. But, apart from hides, there is the question of the skins, and I know my Honourable friend Mr. Jamal Muhammad attaches particular importance to that question. His contention, as I understand it, is that in respect of goat skins, India has got, not a complete monopoly, but something approaching a monopoly, and that other countries would not be able to find other sources of supply if the Indian source was made more expensive. That is a point, which is, at any rate, worth examination.

Then a further point is raised—when I say it was raised, I cannot testify from personal experience that it was raised in the debate, because I was not present when the question was discussed—about the American tariff, namely, that the American tariff had been so changed by the imposition of a ten per cent. duty on imported tanned skins that the Americans were in a position to give a higher price for raw skins. I think it is important to get clear exactly what the position is. For years past, America has been the main taker of India's raw goat skins, the proportion amounting to between 80 and 90 per cent. over a period of years. But it has never at any time taken more than 10 per cent. of the tanned skins that are exported from India. Tanned skins do not go to the United States of America, but to the extent of about 90 per cent. to the United Kingdom. Now, unless the manufacturers of the United States of America export to the United Kingdom, I do not see that the manufacturer in India is seriously damaged by the American tariff. It is only a very small part of his output which is sold directly to the United States of America, and I cannot see how in his main market he is seriously damaged by the American competition, unless America does in fact export to the United Kingdom. That is a point on which I have not yet got full information, but which I will have examined. I am afraid I have taken too much time on this question, I will briefly sum up what I have to say in this form: I see great difficulties in using an export duty as a means of protection, and so far as I have been able to read the lessons of what has actually occurred in the past, I do not at present see how these difficulties can be overcome, but I recognise that, as already pointed out, as regards goat skins in particular, there is a question, which deserves examination. I will see that it gets it, and I will see that full opportunity is given to the tanners of Southern India to represent all they may have to say on this subject. What the decision of Government may be, it is, of course, impossible now to forecast. Now, Sir, I will pass on to another point, which was taken by my Honourable friend Sir Cowasji Jehangir, namely, the failure of the official Members from the provinces to participate in our debates on this occasion. I intervened at one stage yesterday under the erroneous impression that the comparison

of these Members to logs was in some way due to their personal appearance (Laughter), but I gathered from what my Honourable friend said subsequently that it was the Treasury Bench which he wished to attack and not the Benches behind me, and certainly that is the true and right constitutional position. Now, Sir, when we are dealing with the Central Budget and when we are dealing with matters of Central administration, with the best will in the world to make the fullest use of the judgment and the eloquence of the Members behind me, it is not always very easy to arrange it, particularly when one does not know beforehand what subjects are going to be discussed. Let me take an example from yesterday. My Honourable friend, Mr. A. Das, told us a good deal about the difficulties that had occurred on the border between the United Provinces and Bihar and Orissa, and in particular between the district of Ballia and the district of Saran owing to alluvion and diluvion. About 30 years ago I might have been described as an expert in that subject myself because I had just passed my departmental examination and the alluvion and diluvion regulations were part of my mental fodder at that time. I have not the least doubt that I have three or four experts on this question behind me, anyone of whom would be perfectly competent to deal with it. But if the debate on this second reading of the Bill is ever to close, I am afraid that, if I let my experts loose on questions of that kind, it would be difficult to say when the proceedings would be likely to close. It is a real difficulty felt by those of us who sit on the Treasury Bench, felt by those who sit behind me and, I have no doubt, felt in the Benches opposite, namely, that the official block sometimes creates rather difficult situations. Sometimes of course we can overcome it. The House listened to a very cogent and convincing speech from my Honourable friend Mr. Hezlett when the Railway Budget was before the House; and as far as I recollect, that is almost the first occasion on which a Provincial Member has spoken on the Railway Budget. On other occasions also we have listened in this House to admirable speeches from Members behind me. But it is difficult on the Finance Bill to arrange that they should take as large a part in the proceedings of the House as I should like, and as Honourable Members opposite have indicated that they would like.

Now, before I sit down, I should like to say just a word or two about what fell from my Honourable friend Diwan Bahadur Mudaliar. One of the points he raised was in connection with the Vizagapatam Harbour, and that came up in connection with the capital expenditure part of the Budget. He mentioned his belief that the cost of land had been excessive in certain cases and that one set of land acquisition officers had very different views as to the value of the land from other land acquisition officers. But supposing that is so,—and I have no doubt that my Honourable friend was speaking from information—but if that is so I do not see how the Government of India can take steps to prevent it, seeing that the only land acquisition machinery we have is that provided by the Provincial Governments, and seeing that the award of the Land Acquisition Collector is final and conclusive as against the Secretary of State and he cannot question it subsequently in any court. Then he said that a great deal more land had been acquired than was really necessary for the purposes of the port. I am glad he mentioned it; it is a matter I shall look into. But I think it would be true to say that more money has been lost in other cases by acquiring too little land, where there are prospects of development, than by acquiring too much. I am not sure

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that that is a bad fault. I think it is the right side on which to err if you must err. Then he said that he was doubtful whether in the long run the harbour would pay its way. I know there are going to be certain difficulties at the outset,—it is not yet quite clear what the position will be—but there are going to be difficulties. For one thing the prospects of the manganese trade do not look nearly so promising now as they did six or seven years ago when the harbour was sanctioned. That is inevitable. You cannot foretell in advance changes in trade which have not even begun to be foreshadowed; but I have little doubt that in the long run the Vizagapatam Harbour will prove to be a perfectly sound proposition and of very great benefit to the particular part of India which the port will serve.

Now, Sir, I hoped to conclude my speech by the triumphant confutation of my Honourable friend in one of the examples which he drew from the Gazette of India. I cannot sufficiently admire his assiduity in perusing the pages of that somewhat arid publication. Perhaps like the Scotchman and the sheep's head he found it fine confused feeding. (Laughter.) With regard to his very first instance, I received a note yesterday evening from the Railway Department completely dissipating his apprehensions on the subject of extravagance. But in a misguided moment I showed it to the Honourable the Finance Member, and he was so pleased with it that he refused to give it back to me and insisted on having it for his own speech. It is for that reason, Sir, that I am unable, and I regret I am unable, to reply to that particular point in my Honourable friend's speech.

Mr. B. N. Misra (Orissa Division: Non-Muhammadan): Sir, I am not going to speak about the pounds, shillings and pence or the rupees, annas and pies of the Budget. This year is said to be a memorable year and the first part of January saw the conclusion of the Round Table Conference, which is to be continued here again. Then, Sir, we had what is known as the Gandhi-Irwin agreement, and a truce was declared in the country. I think in this House also we should follow a similar procedure. It happens every year at the Budget and Finance Bill discussions that accusations are made from this side and something or other is said on the other side. I think this year it should take some other shape and a procedure should be settled which would be satisfactory to both sides. This side has been all along pressing for retrenchment or less expenditure and the other side has always said that they cannot do without this amount or this expenditure. Therefore I say that this year when the Viceroy is going with so much credit to himself, our Honourable Members should also try to share that credit before their retirement, and try to show this House that they have framed a satisfactory Budget. We have been always saying that the military expenditure is very heavy and that the expenditure on all sides of the civil administration has also become very heavy. They must try to retrench. They have promised a committee of retrenchment, but we have got experience of retrenchment committees, and it would not advance matters at all. I specially hope that this year the Honourable Members will try their best to follow the lead that has been given to them by His Excellency the Viceroy and show some exemplary retrenchment in civil and military expenditure and a reduction of taxation every year. Out of a total expenditure of 180 odd crores, we

spend about 52 crores on the military, or roughly 40 per cent. Are we living in times of war or in times of peace? Honourable Members may say that there were some troubles during this civil disobedience movement; but I would ask, had we those troubles all along for all these years? If in times of peace we are spending so much, what will happen if by some chance we have trouble with Afghanistan or Russia or some such country? I ask this question seriously. In that case what will our Military Budget go up to? Will the Government then mortgage or sell India in order to find money? What procedure will they then follow, if ordinarily in times of peace they spend as much as 52 crores on the military? I appeal to them seriously to consider what will be their Budget then. I implore them to consider this question seriously and to agree to some reasonable course before they come to the final stage of this Bill. I appeal to them to retrench at least to the extent of 5 or 10 crores, or something substantial. Retrenchment to the extent of a few lakhs here and there is not enough. If they retrench to the extent I have indicated, surely this House will agree with them and vote the necessary money.

Coming now to my own constituency (Hear, hear), I wish to point out that the Government have promised so many committees of retrenchment, but they have mentioned nothing about a boundary commission for Orissa. Probably many Members do not know what Orissa is. Many people identify Orissa with Jaganath. I wish to tell them that that is not the real Orissa which is called at present politically Orissa. Orissa was probably known in Mahabharata times as Odradesh. Then we come to the time of Asoka when it was known as Kalinga: we then read of a battle fought at Yosali near Bhubaneswar. That part is Orissa. Then we come to Muhammadan times. I say from authenticated records and histories written by Henter, Toynbee, Sterling, Abdul Fazle. We read in the District Gazetteer, Puri, page 28 that in 1245 the Oriyas besieged Gour, the capital of Bengal and the siege was only raised on the arrival of reinforcements from Oudh. That shows that Orissa extended in those days from Gour in Bengal to the Godavari river roughly speaking. I am stating this from Government records at page 29 of the same. In 1435 we find that it extended from the Ganges to Pennar—as far as Udayagiri near Nellore. In 1457 the Oriya kings ravaged the territories of the Bahamini Sultan. In fact Orissa is a country that extends from the Hooghly to the Godavari. Later on, Honourable Members might have probably heard of the permanent settlement granted to the East India Company by the then Nawabs of Bengal, Bihar and Orissa and Chota Nagpur are mentioned in the grant. That was not the real Orissa. The Orissa mentioned there was Midnapore. In 1793 Orissa was not yet conquered by the British. She remained independent till about 1803, and was taken possession of piece-meal from Madras, Central Provinces and Bengal; and the present Orissa is a very vast country under four Governments. It is now partly in Madras, partly in the Central Provinces, partly in Bengal and partly in Bihar and Orissa. This is not a new question; it is as old as many of us—perhaps older than many of us. (Laughter.) I come now to the present times. In the time of Lord Curzon, there was a proposal to settle the boundaries and redistribute the province of Orissa. After that Mr. Montagu, the then Secretary of State, came, and the enquiries are embodied in the Montagu-Chelmsford Report; this subject finds a place in that Report. The recommendation to form a sub-province for Orissa was not given effect to. Later on the Government of India, which

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promised justice to Orissa's claim and which has recommended in para. 21 of their despatch that there should be a redistribution of Oriya speaking tracts or a separate province for Orissa, has not yet appointed a boundary commission though they have appointed so many other committees. The other day the Burman Members were complaining of the hot haste with which the question of the separation of Burma was being considered. We have been clamouring all these years and yet nothing has been done, though they have agreed to do justice to our claims. The question has been pressed by our Provincial Government and by the public in Bihar and Orissa and there were several meetings. Therefore I would appeal to the Honourable Members that they should appoint a boundary commission soon for the separation of Orissa.

I shall take only a few more minutes as regards this Military Budget. Probably it will be worthwhile mentioning it. Orissa is now much neglected, but Orissa had a typical and exemplary militia before and I think the whole of India has to learn something from the Orissa militia. History tells us—I am not saying this from my own imagination—that when Asoka conquered Kalinga, he encountered the fiercest opposition from the Oriyas. It is stated, Sir, that when King Emperor Asoka conquered Kalinga, so fierce was the resistance offered by the people that 1,50,000 men were taken captives, and over a lakh of people were slain and many times that number perished. When Akbar wanted to subdue the Afghans in Bengal,—I am speaking from their own records called the Abul-Fazal's Akbar Namah, Vol. II, page 395, even there he sought the aid of King Makunda Dev of Orissa to defeat the Afghan power that was then rising in Bengal. Orissa had a complete and perfect militia in those days. Sir, Orissa has got several ruling Princes or Chiefs. They were all very independent. I can say that the British only took possession of Orissa, and it was not conquered. Orissa retained its independence for a long time. But then the people of Orissa liked the British system of administration in those days better than the administration of the Mahratta rulers who were committing depredations or lootings, with the result that the people had no security of life or property nor had they any stable administration. In fact, the Pandas of Jaganath welcomed the advent of the British administration, but, that good system which prevailed in the old days of the predecessors of the present British rulers has considerably degenerated now, and it is doing the worst kind of harm that can be done to Orissa and every part of India.

Sir Hugh Cocke (Bombay: European): Who financed all their military activities?

Mr. B. N. Misra: Sir, in Orissa they had a different system of recruitment in those days to the Military Department. There were no paid officers; they were not mercenary officers. There were all Sardars or Dalpatis who controlled or commanded the army. My own great-grandfather was a Bahinipati commander in the army in those days. (Applause.) He was also at the same time the Rajguru or Purohit, but still he fought for his country. No doubt, they were given some lands or jagirs, and that was enough for them. I am merely explaining to the House how the British have wrongly and deliberately killed the martial spirit of the people

and have adopted the wrong system which obtains today. Speaking of the martial spirit of the people of Orissa, Mr. Toynbee at page 12 says this:

"It is clear that a body of local landed militia of this kind might have been made a tower of strength to the British Government had liberal and conciliatory measures been adopted from the first. But, by a fatal and short-sighted policy, Major Flesher had been allowed to resume their service lands shortly after the confiscation of the Khurdha estate. Nor was this all. * * They were subjected to grossest extortion and oppression * * "

The present Government have entirely killed the martial spirit of the people of my province. The reason is this. The Government want to keep their own people here; they want to dump into this country all classes of English people in the name of maintaining law and order; any Tom, Dick and Harry can find a place in the military here, because their own people must be fed. The present Government have killed the martial spirit of the people not only of Orissa but of all parts of India. Who fought at the siege of Arcot for the Government in those days? It was the Indians, it was the Moplas, and in fact wherever the British Government have succeeded in conquering any territory, it is all due to the people of this country. But in spite of all that, the Government decry the people of this country. They say that we Indians are not strong enough or fit enough to command a regiment, that we cannot carry a gun and so on. But it is a well known fact that the British soldier, man to man, cannot be an equal to his Indian brother in any respect, although the white soldier is paid much more than the poor Indian soldier. The English soldier cannot even stand in the sun, and still he is called a hero, whereas our men, however strong, however well disciplined, and however efficient they may be, are paid a poor compliment. Sir, it must be remembered that a British soldier costs us ten or even twenty times more than an Indian soldier, and all the money paid to the military people goes to England. But, Sir, though the Government have killed our martial spirit, still they have not succeeded in completely annihilating that spirit in us. We are a strong and brave race. There are still people alive in Orissa who can take up the defence of the country at any time. As my friend was saying the other day, India can defend herself if she is given complete control over the Army. In that case we shall not want a single English soldier to defend this country; we shall not pay a single pie to an English soldier. I can assure this House, Sir, that in five or ten years' time we will be able to prepare such a well organized and disciplined army for the defence of this country that it will surprise any nation in the world. Let the British Government array all their machine guns against us; let them hover their aeroplanes over us; we shall not be afraid in the least. Our people will be quite equal to the task. But they give the dog a bad name and hang it, and that is our fate, and that is what the Government have done.

Now, Sir, I shall say a few words about the Round Table Conference. Sir, British India had sent, in all, 52 members to the Round Table Conference, and if I take province by province, my province ought to get one-eighth of this number for representation at the Conference, but we did not get even three members, so that, Sir, Orissa has not been represented at all at the Conference. As the Conference will continue its deliberations in Simla, I hope the Government will see their way to meet the demand of Orissa in this respect. My province has peculiar difficulties.

[Mr. B. N. Misra.]

Sir, I appeal to the Government that they must select some members to represent my province at the next session of the Round Table Conference. (*An Honourable Member*: "Who is he to be?") The Honourable Mr. M. S. Das is well known to all Members of this House. He is still alive, but the Government did not think fit to select him to represent my province. There are many others like Sachidananda Sinha and Sir Ali Imam! On the other hand, they were pleased to send the young Maharaja of Darbhanga to the Round Table Conference, although on account of the age and lack of experience of public life, he is not fit to sit in any Provincial Council, District Board or Local Board even, not to speak of his fitness to sit in this Assembly or the Council of State; still such a man was selected.

An Honourable Member: I think the Honourable Member cannot cast any reflection on the Maharaja of Darbhanga.

Mr. B. N. Misra: I am not casting any aspersions on him. What I say is that by his age or experience he is quite unfit to represent my province. If we tell this to the Members of Government and complain about it, then the reply is ready. "Oh, it is the pleasure of His Majesty's Government to select the people." But, Sir, His Majesty's Government at Home does not know anything about the age or fitness of the young Maharaja of Darbhanga. They are not *sarbanya*, *panditas*, *Jogis* or *sadhus* to know by occult power. They select people based on the reports of the Indian Government. But what do the Government of India do here? They must hide their face in shame. They take care to select only such people who will merely say at the Conference what their masters here have asked them to say there. One does not know why the young Maharaja of Darbhanga was sent to the Round Table Conference; he is not under the electoral rules qualified to sit in any Council, still he was expected to draw up a constitution for this very Assembly or the Council of State or even a federal structure. The fact is that Government wanted a safe man, a man who would say ditto to everything that the Government said, and not a man who would call a spade a spade. Orissa, Sir, has got about thirty States, but no representation has been given to any of those States. I hope, Sir, at the next session of the Round Table Conference they will take some representatives from Orissa both from the Orissa States and also from British Orissa and thus satisfy the people of my province.

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain (Member for Education, Health and Lands): Sir, for a long time I was in doubt whether we sitting on these Benches should take part in the debate or not. I was feeling that perhaps the nature of the debate was such that Members of Government were not called upon to enter upon a defence or to give detailed information on the points raised during the course of the debate. I felt that, as this debate commenced, Members were unburdening themselves of the subjects that they had got up either for the purpose of moving Resolutions or for promoting the cuts that they had sent in the matter of Demands in connection with various departments, and which cuts had not been reached, and it would not be possible for any Member of Government, during the course of this debate, really in a satisfactory manner to enter upon a controversy relating to those matters, and if we try to do so with any attempt to carry conviction to the House, we will have to take such

a long time that probably non-official Members would consider it an encroachment on their time. Yesterday, however, I noticed that a number of speakers from the Front Bench of the Opposition made a point that a number of Members had spoken, and spoken on a number of subjects, and yet the Members sitting on the Government Benches took no notice of them, did not care what was said, did not even care to reply. Well, I can assure the Honourable Members that it was not this reason that kept us silent during the last three or four days. On the other hand, it was really to afford them every opportunity of giving expression to their views and of making such criticisms as they felt they were called upon to make on the administration in the hope that the points made by them would be examined by us and by our Secretaries in the future to do what we could in the way of meeting them. As I said, yesterday's speeches brought vividly to my mind the necessity of establishing a contact between the Government Members and the Benches opposite. It is a pity that in the Central Government there has not been even some sort of that much abused thing called "diarchy". Had there been, some of us, at all events, would have had some friends in the House who would be in contact with us and who would not consider that by being in contact with us they ran the risk of perhaps losing caste with other Members. Even now, for the short period that exists between now and complete responsibility in the Legislature it would be a good thing if opportunities were afforded to establish that contact, however small the extent of that contact might be.

To mention only a few points, the Leader of the Opposition, with extreme and studied moderation, so far as I am concerned, appealed to me that I should not violate the great principle of the autonomy of the provinces. I am not at issue with him on that point at all. I am in entire accord with him. It should be the effort of those who sit on the Official Benches, as well as of those who sit on the opposite Benches, to remember that there are rights and responsibilities vesting in the local Legislatures and obligations vesting in the Local Governments which we should both bear in mind. The instance he quoted was of a Revenue Settlement Bill, which came up from the Madras Government to the Government of India, and the Government of India did not approve of it. The Honourable Member says, "Look here. Is that fair? Provincial autonomy,—is that the way in which you encourage it?". I at once without going into the merits of the case might, for the purposes of this debate, concede the point. But may I remind him how far it is fair in 1931 to bring up an instance of 1925 when the provincial autonomy principle according to him was not honoured by the Government? Am I right in saying that from 1925 to 1931 no such instance has occurred, and is that not to the credit of the Government of India, that they do not interfere with the autonomy of the provinces or the extent of such autonomy as vests in the local Legislatures? I may go a step further and remind him that only last year, when we had the Malabar Tenancy Act of 1930 coming up to the Government of India for interference, the Government of India refused to interfere, although, as the Honourable Member knows full well, representations made in support of interference were not altogether devoid of force and strength. That I think ought to convince him that, if anything, the Government of India are quite as jealous of the autonomy of the local Legislatures and of all Local Governments as he is.

[Khan Bahadur Mian Sir Fazl-i-Husain.]

His second point was with reference to failing to know the number of Indians in South America. I was puzzled about the distinction between my department being responsible for Indians overseas but not with reference to those in South America. I find that the subject is divided into two parts, Indians overseas limited to the British Empire and Colonies and Indians overseas outside the Empire. When we come to outside the Empire, the subject is in charge of the Foreign Department, because the department which deals with the subject is the one which deals with all foreign countries, and the countries with which I deal are not foreign in that sense. But, since I am on the subject of Indians overseas, I must take this opportunity of thanking the House and its Members for the keen interest that they have invariably evinced in the matter of Indians overseas. I am particularly obliged to them because that is a subject which, if I may say so, is more difficult and more delicate than any other subject with which we have to deal. It is a subject which requires a great deal of patience and perseverance. There is so little sanction behind our efforts, and therefore such a great deal depends upon attempts at persuasion, and you know how difficult it is to persuade when there is not much sanction behind your efforts.

I may from here get on to the other subject, and that is the subject of retrenchment. My Honourable friends opposite have tried to make out that, irrespective of the financial condition, the trade depression, agricultural depression and other troubles in the country, Members of Government go on their merry way piling up expenditure upon expenditure and thus making it more and more difficult for the present resources to be sufficient and for the present taxation to be enough to meet their demands. Well, I have got up this afternoon chiefly to assure the Honourable Members that this is not correct. As a matter of fact, the true position is just the opposite. I have sheets full of schemes, of plans, of proposals, not in their initial stages but completed, proposals considered and sanctioned, which I have had to give up because of the financial stringency. As early as June last, the Finance Department began to worry us with circular after circular, first stating, "Although the Budget was sanctioned, although you can incur expenditure within the limits of the Budget, still in view of the financial stringency, we call upon you to stay your hand, and even though within the sanctioned Budget, not to proceed with those schemes which have not yet been initiated, and in the case of schemes which you have initiated, see that, at the earliest stage possible where you can without loss of money stop them, you bring them to a stop". Sir, Member after Member has risen to ask what have I been doing. I see before me the Honourable Member from Ajmer-Merwara, Rai Sahib Harbilas Sarda, asking me—what about Ajmer-Merwara, why is there no money for primary education? What about sanitation, what about the enormous percentage of infant death? I realise that there is a great deal of force in what he said. I pass on to another Member who is not present today, who in emotional tones said yesterday—What about Delhi University? Ten years have passed. Still there is neither a teaching university nor a residential university nor a unitary university. I have to admit that he is right. There is no money. I have had with very great regret to give up scheme after scheme simply because there was no money.

I pass on to the Frontier Province. We have listened to a very impassioned appeal this afternoon. We have been asked, "What have you been doing? Why are there no schools, no colleges, no sanitary arrangements and so on?". The same thing goes on from Member to Member. We are expected to do all these things, and yet we are expected to do them all out of nothing. It cannot be done. I assure you, and through you the House, that there are here schemes actually ready to be carried out, only if we had the money, the amount which my department can spend on these schemes during the next year comes nearly to a crore of rupees.

Talking of research, we have been asked what we have been doing for agriculture. I listened with very very great interest to the excellent speech of Raja Bahadur Krishnamachariar the other day about the troubles of the zamindars, the experiments which they make, the refusal of the Council of Agricultural Research to proceed with the investigation he wanted them to conduct. He has justification for that complaint and yet I cannot say that the Council of Agricultural Research is to blame for not having done what he wanted them to do. There is no money. The Honourable House knows perfectly well that for the time being wheat is almost lost as an export commodity. Very low prices prevail so far as cotton and jute are concerned; our efforts are directed to do what we can in the matter of sugar, and yet the Governing Body of the Council of Agricultural Research tell me that, with their limited resources, they are doing the best they can, and unless I can persuade the Finance Department to give them some grant during the year 1931-32, they will not be able to do what they wanted to do and what the country needs most at this time.

Now, Sir, I am taking a little time over this matter not with the object of making a display of the efforts that my department is making. I assure you that is not my object. My object is to assure you that there is not an economy which we could have made that we have not made. It was said that we should not only stay our hands so far as starting of new schemes is concerned, such as new hospitals and so on, but we should do something more—when there is a vacancy we should not fill it, when there are two vacancies occurring, if they can be combined we should do it. I assure you that if any Member is really anxious to see whether such economies are being effected, I have a list of such economies attempted by members of my Secretariat, and we will be very glad to show it. In the case of the Research Institute at Dehra Dun, there were appointments to be filled up and it was desirable to fill them up as early as possible in the interests of research, but keeping in mind the extreme need for economy we have held up these appointments. In the matter of forests, we are told that it is necessary to go ahead. We have to a certain extent stopped further recruitment here. Even the provinces, feeling the pinch of poverty, have told us that they are prepared to let our Indian forest service officers go to some other provinces, while they will carry on with provincial officers there, and that therefore we need not recruit. We have had to write to the Secretary of State accordingly. I think, Sir, Honourable Members will give me that amount of credit which I am always prepared to give to their statements based on their personal knowledge and I trust they will believe me when I say that there is no economy as such

[Khan Bahadur Mian Sir Fazl-i-Husain.]

within the administration of these departments that can be made, which has been left unmade. It may be a matter of a few hundred rupees here or even a few thousands there.

I think the Honourable Mr. Rangachariar was right when he said frankly the other day that there is not much to be got out of economy under the civil administration. Whether there is in the Army or not, I cannot say from personal knowledge, but if the methods pursued there are the same as on the civil side, it is quite possible that the suspicions of the Honourable Members cannot be as well founded as they believe them to be. I do not commit myself. I will not say "No" because I do not know. What I wish to urge on this House is this. Is it right, is it fair for us to assume an attitude of what do we care for your vote? Is it right for you to suggest that we do not care for your vote, because there is a power behind which can undo your vote? I think the Honourable Member who spoke last made a very shrewd observation indeed when he said that the person who is responsible for restoring these grants is going away. Do you think he is anxious to resort to the power of restoring these grants? None of us sitting on these Benches would like to be in the position of asking him to do this, and I assure you that you have the strongest possible position that any party can have in a House and that is due to the peculiar position in which Government are placed. None of us, I assure you, would like to tender that advice. No one can feel proud of having tendered that advice. You know that perfectly well. What is the right course to adopt? You see we are practically in your hands. It is not that we do not care for your vote or that we do not care for your power, political or constitutional. You talk of 10 crores here, 6 crores there and so on. As a Member of Government, I know, and from what the Finance Member has told me, I can assure you that when we are talking like that, we are not really making a fruitful effort to get close enough to arrive at a satisfactory agreement. I assure you that there is all the willingness on our part that can possibly be on the part of any Government because of our peculiar position. I trust and I hope that you will not press us too far, but be ready and willing during the course of the next two or three days, to arrive at a really business-like arrangement. These are not my views alone, but they are the views of the Government as well. It is not that we simply want to appease you, we want also to satisfy the country outside this House. We are anxious that the country should feel that the Government are not out of touch with the country in the present extremely delicate economic condition, and it is in your hands to give that co-operation, to enable us to satisfy the country. I trust, Sir, when I have said that, I have done my duty. I know, a very large number of the Members of the House, who think about these matters, have no desire really to create a situation wherein Government are bound to feel that they have been put in an awkward situation. I have not the slightest doubt on that point; but I trust that now that we have scamped through all the debates of the last few days, we would adopt a business-like attitude on both sides, with the object of arriving at a satisfactory solution.

Mr. E. F. Sykes (Bombay: European): Sir, the position of the Finance Member is this: that while retrenchment is essential, the opportunities for effecting it are few. I may for his comfort say that the position is not

new. The House will forgive me if I read a short extract of what happened in 1920 at home:

"Mr. Asquith, commenting good-humouredly in November, 1920, on the exuberance and costliness of the new bureaucracy—Captain Guest, Mr. Lloyd George's Chief Whip, had recently declared that the Government's expenditure could not be reduced—noted that the Ministry of Health required six superintending charwomen and seven deputy superintending charwomen, who, 'from their position of relative superiority', supervised the labour of 122 charwomen of a humbler grade." (Hear, hear.)

Well, Sir, there is perhaps hope for us. The Honourable the Finance Member may still find opportunities for reduction of expenditure.

I would like to impress on the House that their assistance to him in this matter would be of the greatest importance. I think that the Finance Member will agree that in this matter his enemies are those of his own household. The Finance Member, no doubt, tries to effect all possible economies with the help and encouragement of the Standing Finance Committee and also to restrict fresh expenditure, but he always has to struggle with the other Departments of Government. Sir, I am not suggesting that the other Departments are indifferent to economy or irresponsible, and I wish to make no reflection on the officers of Government. But I am sure that the Head of a Department would not be able to command the confidence of his Department if he was not of opinion that the work of that Department was as important as that of any other and therefore it should be the last to be retrenched. Now, Sir, I have noticed in this debate that Members seem to feel that information is extraordinarily difficult to obtain. One member said yesterday that the Army was a closed book to us. Well, Sir, I have a closed volume on my table which weighs about half a seer, which was supplied to me with the Budget papers. This gives immense detail of Army expenditure, setting forth for instance the number of trumpeters of a battery or drummers of a regiment and particulars of supplies and so forth, and similarly for all other Departments the Budget contains an immense mass of information; and I have noticed that in every Department you find officers both in the House and outside it who are ready to supply you with any further information you require; and before the Retrenchment Committee meets, I hope Members will make a point of satisfying themselves that they have the necessary information to enable them to make suggestions for particular retrenchments to that Committee. Now, Sir, let me take one example,—the Council of Agricultural Research—The Finance Member told us during the general discussion on the Budget that there was always a tendency for the official plant to grow. Everybody connected with any large organisation knows how that happens, and the restraint of the growing plant is, we all know, an extraordinarily difficult thing. The Finance Member told us a few lines further on that behind any retrenchment there may be the matter of policy, cutting down for instance our policy of providing money for agricultural research. I have not the least desire that money for agricultural research should be cut down. No doubt the success of agricultural research is one cause of our present difficulties, but neglect of it would complete our ruin. But under the name of Agricultural Research there are large sums spent in administration, which have nothing to do with research and might well be applied to it. If I may, I will go briefly into the history of this organisation. It is a child of the Agricultural Commission which recommended its constitution. Its constitution as proposed was unduly elaborate, but for our purpose it is only necessary to mention

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two points. First that with it should be associated an experienced administrator, and second that it should not maintain any research institution directly under its control, nor would it provide a staff of experts. When the Government of India issued its Resolution of 23rd May 1929, it made one modification: It did not consider it necessary to restrict the agency by which research should be carried out. The next step would normally have been to appoint a technical director of research, who would be appointed as possessing the requisite qualifications, and could then be provided with such administrative officials as were necessary. This however was a difficult matter. In research, agricultural or otherwise, the man is everything and the machine is nothing. Fortunately in the Government of India experienced administrators can be found in large numbers, and the search for them is not long or difficult. For this reason first of all a Secretary was appointed; later a Vice-President. Later some technical members were appointed. But first of all the administrative machine was got going. Now, Sir, experienced administrators in charge of any organisation must from their very nature find something to administer. But the provision made for research was very modest; ten lakhs were voted by this House as a capital sum, and five lakhs annually. As the only work of the organisation was to distribute the funds among the various bodies engaged in research the labour involved was not serious. The organisation had therefore to find other interests beside research. It is interesting to trace its development from what was intended to be purely a research organisation into a general administrative department. Among its various extensions are a locust bureau, European tours, the absorption of the sugar bureau and a vast number of Committees. No doubt these committees were adumbrated in the plans of the Agricultural Commission, but many who are likely to know doubt whether their work is of any great value.

If you refer to the proceedings of the Standing Finance Committee of this year you will see that this organisation has thrown off any pretence of being a Research Department and has become an ordinary administrative department, as indeed from its nature it might be expected to be; but its expenditure is still shown as being connected with research. One cannot do better than quote its own words:

"The Australian and the British Councils devoted themselves presumably entirely to the conduct and encouragement of research whereas with the Imperial Council of Agricultural Research that was only one, though the most important, of its duties. The Imperial Council in its capacity as adviser in agricultural matters (including veterinary and animal husbandry) of the Government of India and Provincial Governments did, but in a more comprehensive fashion, the work which the Agricultural Adviser to the Government of India used to perform and its position *vis-a-vis* the provinces was, generally speaking, approximating to that of a central co-ordinating Department of Agriculture."

I think the House will agree that this is a good example of the manner in which these official plants grow. I have spared the House—in view of the state of the clock—a vast number of details which would reinforce the case; but I commend it to those gentlemen who are going to form the Retrenchment Committee and suggest that they further consider and make recommendations after studying the history of this organisation in the proceedings of the Standing Finance Committee. This body was already spending 2½ lakhs in administration when it came up to the Standing

Finance Committee for more money. The proposal was sent back for further explanations, but in spite of protests the amount demanded was ultimately passed.

I think the Standing Finance Committee, at times, takes its responsibilities rather lightly. Its proceedings are circulated to the Members of the House, yet we never hear accusations of extravagance made against the Standing Finance Committee, yet there is no single article of new expenditure that has not received their assent.

Now, Sir, I will conclude by recommending that in this and similar cases,—there must be many more like the one I have come across—the Retrenchment Committee should investigate them and when they find a plant has grown into something that was not in the least attended, they should just see what they can do by way of pruning it to resemble its original ideal and ideal shape.

Mr. K. P. Thampan: I did not want to make a speech on the Finance Bill, but I only wanted to ask a question of the Honourable Member in charge of Education, Health and Lands in order that I might get more light on a matter which he referred to in his speech. I did not want to interrupt him in the midst of his speech. That was, Sir, why I rose before you called on the previous speaker. But now that he is absent from his seat, there is no use of putting that question.

Mr. Uppi Saheb Bahadur (West Coast and Nilgiris: Muhammadan): It is three rather four days that we have been throwing stones and missiles at the Treasury Benches and till this evening they remained rather unaffected. Either they are unable to reply to us, or they do not want to reply to us, or they did not care to reply to us. They do not seem to treat these as serious things, they rather treat them as a *tamasha*. Yesterday one or two Honourable Members threw bombs at them and they seem to have hit them and hurt them; for today I find they are in a way caring for us. Already some of the Honourable Members on the Treasury Benches have replied to our criticisms, and I hope others also will follow and give us some information and throw some light on matters which we want from them. Sir, I quite realise that as a man the Honourable Sir George Schuster is a kind hearted gentleman, he is a very sympathetic gentleman, but when he becomes Finance Member of the Government of India, he loses all his softness and becomes very hard-hearted, not only unsympathetic but even hard-hearted. In that matter, I only sympathise with him because he has to feed a very unsatiable glutton from our coffers. Every one of us knows that owing to trade depression, owing to economic depression, owing to the fall in prices, every one of us including Sir George Schuster has to reduce his own budget. But the only institution in the whole world which I find has not reduced its budget or which could not reduce its budget is the Government of India. Sir George Schuster, as the feeder of the Government of India, has to find money. In the circumstances, I sympathise with him. He has to find out money, he runs out for money, he wants to amass money, he wants money to feed the Civil Service, the Military Department, the Home Department and several other Departments of the Government of India, which will not admit of any reduction. It is said that our civil services cannot be reduced because it is the irreducible minimum. Our military expenditure cannot be touched and our Home charges are untouchable. That is the position in which we find ourselves today, and that is the

[Mr. Uppi Saheb Bahadur.] position in which Sir George Schuster is placed today. Anyhow he has to feed all of them and it is his poor lot, it is his misfortune to meet these gluttonous demands. So he has to run here and there for money. It is unfortunate that he could not find the money in such a way as to least affect persons whom he wants to touch. He has resorted to the easiest steps, that is taxing the richest directly and poorest man indirectly. This policy is going to bring disaster. You know there is trade depression in the country and it has brought about a situation which requires strong measures to be taken to prevent a disaster. Unless prompt measures are taken, many rich men would become bankrupt and bankruptcy is staring in the faces of many rich merchants in the whole of India. Sir, at this juncture to increase the income-tax will be simply killing many of the merchants and ruining entirely many of the merchants. The increase in super-tax—I understand the minimum has been reduced from Rs. 50,000 to Rs. 40,000—will bring about a situation which will entirely ruin many rich men and will make them poor. I understand that a man who gets more than Rs. 50,000 hereafter will have to pay Rs. 6,000 more than what he has been now paying under the super-tax. Now, Sir, instead of trying to kill our traders and trying to kill our business, the Honourable the Finance Member could have helped us in several ways. There is an industry which is crying for protection, that is the leather industry and that industry is crying for protection. It demands an increase in the export duty on raw hides and skins, but Government have so far shown a deaf ear to that cry. From the telegrams that we have received from the representatives of the leather and hides industry associations, we find that if the Government do not protect them immediately, the result will be that many of them will be ruined. And, Sir, we find that the Finance Member could have raised money by export taxation. The other day we heard from the Honourable Members, representing the Chambers of Commerce in Southern India, that the Finance Member could have raised a crore of rupees without any difficulty and at the same time given protection to this Indian industry. Now, Sir, one of the policies of the Government of India, they say, is to help the agriculturists. But they have really done nothing to help the Indian agriculturists. Personally I have to deal very closely with the Agriculture Department of the Madras Presidency. What I understood from the advice and recommendations of the Agriculture Department is this. They ask us to increase the fertility of the soil by putting different manures such as phosphates, potassium, nitrogen and such like. For phosphates they tell us we must use bone-meal. But we cannot get bone-meal because its price is so very high that it will not pay us to dress our soil with bone-meal in the existing circumstances. Bone-meal is exported to other countries and we cannot compete with the foreign merchants in this matter. If only Government had imposed a protective duty on bone-meal and other Indian manures which are exported from India in large quantities, it would have been a great help to indigenous cultivators. In this way the Finance Member could have helped us and he could also have filled his coffers and fed his insatiable Departments. But I find that neither the Finance Member nor the Government of India is bold enough to touch those sources of income which may affect their own relations or even the relations of England with other countries. They want to keep up their good trade relations with other foreign countries. England seems to want to keep up her good relations with other foreign countries at the expense of India

and her business. For the matter of that, the Government of India is not bold enough to protect our industries at the expense of the good relations of England with other foreign countries. Sir, self-preservation is the first rule of life and it is the duty of the Finance Member to protect us even at the expense of other foreign countries.

There is another thing which I should like to bring before the House and that concerns my own constituency. You know that it
4 P.M. is now nearly ten years since a great calamity passed over the district of Malabar, known as the Malabar rebellion. The events of the rebellion are now a sealed book and forgotten. I do not want to rake up those sad incidents, but as a result of that unfortunate calamity, thousands of Moplahs are now undergoing imprisonment either in the Andamans or in jails. Rightly or wrongly they were imprisoned. I do not now wish to tire the House by narrating the way in which these people were tried and punished, and I do not in the least cast any aspersion on the judges or the courts that tried those cases. But they are there for ten years. They are people who might have committed crimes in abnormal times. I appeal to this Government to pardon them and send them home and ask them to be good boys in future. Justice tempered with mercy is always more effective than justice hardened by vindictiveness. At this juncture let me express my heart-felt gratitude to my Hindu brethren in Malabar for forgetting and forgiving the crimes that the Moplahs may have committed on them. As early as in 1924 a Resolution was moved in the Madras Legislative Council and all the members from Malabar, some of them who had suffered at the hands of rebels—I am glad one of them is here Mr. Thampan, who had suffered at their hands—appealed to the Madras Government to release them. He said that at least 75 per cent. of those who are in jail are really innocent, the real culprits being at large. The Home Member asked how he knew it, and he very curtly and tersely replied that they had bought off the police. My Honourable friend Mr. Ramaswami Mudaliar also very strongly supported it and appealed to the Government to release these people. They are not habitual criminals but only people who perhaps committed crimes at an abnormal time when there was no law and no order and nothing in the country except chaos. So, I appeal now to this Government to move the Provincial Government to release these people, send them home and make them happy. At the same time I must condemn the policy of Government in trying to send their free women and children to the Andamans. The Andamans are a hell on earth. These are not my words but the Committee of Sir Alexander Cardew condemned the place in 1921 in terms more forcible. In one sentence they explicitly said that no woman should be sent to the Andamans even if she agrees and even if her relatives consent, it is such a bad place for women. But within two or three years after that report even the magic wand of the Government of India could not have brought about a better atmosphere in the Andamans so quickly. They sent the free Moplah women and children there and that also very stealthily. In this way about a thousand free Moplah women and children were taken to the Andamans. Even now I understand the scheme is there although they do not now send so many. These people who are governed by the civil laws in India and are free in India, become prisoners and slaves the moment they get into the Andamans and are governed by the Andamans Regulations. So, I say that in the interests of humanity at least the Government of India should give up that scheme. If they want

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to colonise the Andamans the Moplahs are there. The Moplahs are not afraid to go, not only to the Andamans but to any place in the world. My people are all over the world. If the Government of India want to colonise the Andamans, to recover the Andamans, let them throw them open for anybody and everybody. Let them advertise. As a matter of fact I may also go there and work there. I know how to work in forests and I do business in timber. But the Government do not allow that. At least from the humanitarian standpoint, I appeal to this Government to give up their present scheme and to throw the Andamans open for any enterprising Indian to go and settle and work the forests there.

Another point I want to mention is this; everybody is raising a cry—speaking of the Round Table Conference—for constituting his district or districts into a province. The one district in the whole of India which has got a different culture and a different language from the rest of India is Malabar. I raise my voice here to appeal that Malabar also should be set up as a separate province. Many small states, such as Cochin, where there is a Royal Family, have Legislative Council and a Dewan and an Executive Council and enjoy autonomy. Malabar is far bigger than Cochin. Again Coorg is a province by itself though it is far smaller than Malabar. I therefore raise my voice here to ask that Malabar also should be constituted as a separate province and I hope this matter will receive consideration at the next Round Table Conference. With these words, I close my speech.

Several Honourable Members: I move that the question be now put.

Mr. President: It is in the hands of Honourable Members to decide whether they wish to close the debate now or whether they want to go on. I shall take their opinion by putting the question. The question is that the question be now put.

The motion was adopted.

The Honourable Sir George Schuster (Finance Member): Sir, I believe from remarks which have been made by many Honourable Members during the course of this debate that I have had at times at least their sympathy. I think perhaps I never deserved it more than just at the present moment when I have got up after five days' debate in an atmosphere which, without intending to put any criticism on the House, for which you Mr. President are responsible, is at least rather a stale atmosphere; and I have to get up and reply to a number of arguments advanced from every direction and covering practically the whole field of administration of the Government. Sir, I have been tempted to think at times that the Opposition were practising something in the nature of tactics of "attrition" in this respect just as the late war was a war of attrition. I myself am not in the least "attrited", if that is the right word, by the result of this five days' debate. But, I rather feel, looking round the Benches opposite, that Honourable Members are slightly wearied of what they have listened to and that is my real difficulty. I have to deal now seriously with a number of questions, and I fear that Honourable Members are rather wearied, but I have to choose between two courses, either respecting their immediate feelings and their immediate comfort or being accused of neglecting their arguments; and when I remember my feelings when I sat as a Member of a row on this Government Front Bench, when the Honourable the Leader of

Opposition took us to task, and when I felt a sort of mixture between feelings as a school boy as I remember them and my feelings as I anticipate them when the last trump sounds and I stand on the day of Judgment, when I remember those feelings, I am not going to risk the charge at I have not dealt fairly and fully with all the arguments that we have heard on the other side. Therefore, I must ask Honourable Members to ar with me while I go through a good deal of what has been said.

In the first place I have to express my appreciation of the tone of this debate. At times it has wandered over a large field, but even on those occasions I recognise that every Member speaking was speaking of a subject which he had very much at heart and was taking the opportunity, perhaps the only opportunity vouchsafed to him during the Session, of ringing forward those questions. At other times when we came down more closely to the Finance Bill, I must say that I recognised a desire to deal with the issues on their merits which, I think, from my own short experience in this House, has been peculiar to this year's debate; and I believe Honourable Members will agree with me, who remember at least he last two years' discussions on the Budget, that somehow or other here is now in the discussion on this question an atmosphere of reality which has not been present before. I think the constitutional changes which are coming have cast their shadow before them—or rather have cast their light before them; and have already influenced the tone of the discussions in this Assembly. I would thank all those who have been able to find it possible to say anything in commendation of the Budget, and I do not at all hesitate to thank my Honourable friend from Bombay for what he said on its behalf. It is not part of my duty to follow him into the field where he dealt with the Round Table Conference and the future constitution of India, though I would like to say one thing and that is this; that when he spoke for the value of the idea of unity in Government, then I think he was saying something with which every Member really sympathises, in the sense that any change which would lead to the break-up of the unity of India, which has been achieved during the last century, would be a tragedy.

Now, taking the various speeches which have been made, I should like to commence with that of my Honourable friend, the Leader of the Opposition. He asked me a question; he said—and I think he was really speaking from his heart—he asked what I would do if I were in his place. That question indicates a spirit which I myself heartily reciprocate, for I have often felt myself mentally asking him, what would he do if he were in mine? And I will try and answer his question as honestly as I can and I will be very frank and even very indiscreet in answering it. I think that if I were in his place, what I would do is this; I would try and find out what the Government really can do, and then I should concentrate all my efforts on forcing them to do something—something to achieve the following objects; something to show the public that the representatives of the public have asserted themselves; something which would really mean giving a concrete pledge that we the Government are in earnest, something perhaps, if that is possible, to relieve any features in the taxation proposals which are really unjust, and something at last—and here perhaps my friend will detect some indiscretion—something at last which will, if I may put it so, give a jolt to the machine of Government which will bring home to all who are working it that they are involved in a desperate

[Sir George Schuster.]

economic crisis and make them feel that they have got to face realities. That, Sir, is the sort of thing which I should feel I ought to do if I filled the Honourable Member's role as the Leader of the Opposition, but I must emphasise again the point which I made at the outset that I would try to find out facts and not take my stand on any impossible claim. And, Sir, when my Honourable friend says that he proposes to vote for amendments which will rob the Government of six crores of revenue, then, I say he is taking his stand on an impossible claim, and I would ask my friend to reconsider his position.

Sir, it has often been said in the course of this debate that the Government should take Members on the other side into their confidence. Well, I want to claim one thing, and that is, that in every word that I have said, I have taken Honourable Members into my confidence; I have kept nothing back. I have said nothing which did not tell, so far as I was able to tell it, the whole truth, and apart from going into details which cannot be covered in a Budget speech, I really have nothing more to say. But, Sir, I did take an occasion last week when discussing other questions to touch upon this idea of helping Honourable Members opposite to realise the truth of the situation, and here I want to refer to something which passed at that meeting and which, I regret to say, appears to have been communicated to the Press. I feel that my Honourable friend the Leader of the Opposition deserves an apology from somebody.—I do not know from whom—but as he has spoken to me on the subject, I feel that I should mention it. In the course of that discussion and as part of this general idea, I suggested to the leaders who were meeting me that they should come with me and talk over the Army position with His Excellency the Commander-in-Chief. For various reasons my friends thought at any rate that at that stage nothing would be gained by that course. Their reasons were, I am prepared to recognise, good reasons, but I venture to think that possibly that course might be reconsidered. I do not wish to say anything further at any length on that subject now, but if I might refer back to what I was impertinent enough to say to my Honourable friend opposite as to what I would do in his place if I were there, I would say that perhaps, if I had been in his place or if I were in his place now, I would follow up that course. The offer is still open, and possibly it may be fruitful to pursue it.

Then, Sir, my friend made another remark to which I must refer, and that is, he said he would like to know what is my honest opinion about this currency problem. Sir, I should be very glad of an opportunity to discuss this fully with my Honourable friend. There is very much to be said about it, more than can be said on any occasion that I have had for speaking publicly upon it, but I do hope that my Honourable friend does not suggest that what I have said publicly does not represent my own honest opinion. (Laughter.) Sir, I was not speaking in jest. I think this is one of the subjects which in my term of office here has caused me most anxiety and most concern, because unfortunately feeling about it has penetrated very deep, and I recognise that it has been a large factor in the situation, not merely in the economic situation but also in the political situation. I think there is no subject to which I have given more thought and which has caused me more sleepless nights, and the conviction at which I have arrived has not been arrived at easily or with a mind which was not open throughout to consider other possible alternatives. But

it is a conviction, it is an absolute, firm and deep conviction, and if my friend would like to know or discuss with me exactly how I arrived at it and now I disposed of the arguments against it,—I recognise there are arguments, very attractive temptations, held out for immediate advantage to certain classes—if my friend would like to know how the processes, the mental processes through which I have passed, I should be very pleased to spend a day with him on the subject. Sir, perhaps that is all I need say to my friend's remarks. They dealt with a good deal more, but on this particular occasion I think he will agree with me that he was attacking my colleagues rather than myself.

Then, Sir, we had a very interesting and a very full speech covering a wide field from my Honourable friend the Deputy President. He started by saying that I had not fully explored all the avenues of retrenchment. He gave us the actual figures of the Budget, and he said the total expenditure remains the same and that there is no retrenchment. Sir, I do not want to weary the House with figures, but when that sort of charge is made, I must say something in reply to it, and I venture to think that a further examination of the figures will convince my Honourable friend that everything that I said was correct and that actually in civil expenditure there is a very substantial retrenchment shown. It is quite true that the gross expenditure remains about the same, in fact comparing the Budget figures for 1930-31 with the Budget figures for 1931-32, there is an increase of 78 lakhs. But then from that you have to deduct the Railways and the military charges, and that brings down the civil expenditure figure, including the Posts and Telegraphs, to 44 crores 45 lakhs for 1930-31, as compared with 44 crores 30 lakhs for 1931-32. That shows a reduction of 15. From that we have to take the Debt services, so that the civil expenditure, exclusive of the Debt services, which, I think, my friend will agree, represent expenditure which is not part of the field of expenditure which one has in mind when one is talking of retrenchment,—deducting the Debt services, the figures are for 1930-31 Budget 26 crores 63 lakhs and for 1931-32 Budget 25 crores 52 lakhs. That actually shows a net reduction of one crore and ten lakhs in the civil expenditure. There are various reasons why that figure does not exactly agree with the figure of 98 that I gave. There are certain adjustments which I have not taken into account, and I maintain that the figure which I gave as real retrenchment, of 98 in the civil expenditure, is a correct figure.

Then, Sir, my Honourable friend dealt with the point—he quite admitted that we could not make any immediate reduction in pay, but he said the Budget is divided into two headings, pay and pensions, and purchase of stores, etc. He thought that under the latter heading it ought to be possible to make very substantial economies because of the fall in prices. But if he examines the figures of the civil expenditure, he will find that the amount available for stores and that kind of expenditure in the civil Budget is an extremely small amount, and I think he will recognise that actually on the civil Budget side there is not any room for big reduction owing to the fall in prices. It is true that under the heading of Civil Works, if wages go down and if costs of building go down, then we might have some reduction of expenditure there on that account. But so far, there is no sign of a substantial fall in building prices, and in fact,

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apart from the grain purchases for the Army, we as a Government cannot say that we have as yet got any direct benefit from the fall in prices. As regards the Army, I will come to that again because I want to deal with that rather more fully.

Then, my Honourable friend said that, although we cannot reduce salaries, or at any rate, there are difficulties about that which he admitted,—he said, at least reorganise the Departments, and you can replace highly paid by lower paid officials. My answer to that is you cannot do that quickly. I quite agree—and I shall say more on this—I quite agree that with an organised plan, with the force of public opinion behind you, with a carefully directed work by a retrenchment enquiry, I quite agree that, there may be room for reduction of that kind, but I would ask my Honourable friends opposite to appreciate that that is not the sort of thing that you can do as an emergency measure, and all that I can do at present in dealing with the present Budget must be regarded as emergency measures, and the designing of plans, well organised, well thought out plans, and all that sort of thing will be the function of the Retrenchment Committee.

Turning from the criticism of the Budget, I want to say something about what my Honourable friend said on three other subjects,—the Reserve Bank, our silver policy, and also contraction of currency. As regards the Reserve Bank, I think I may say that I agreed with practically everything that my Honourable friend said. I do not at the moment remember every word that he said,—I may have missed something perhaps—and he must not bring this up against me afterwards. (Laughter.) But in general I have no hesitation in saying that I agreed with practically everything that he said, and I entirely agree with him in his desire to see a Reserve Bank Bill put on the Statute-book as quickly as possible. (Hear, hear.) I want to point out to him, because we are trying, at any rate I am trying, to face realities now, I want to point out to him the practical difficulties with which we are faced at present. It is no use putting a Reserve Bank Bill on the Statute-book unless you are ready to start a Reserve Bank, and it is no use starting a Reserve Bank, particularly in difficult times like the present, unless you have got really adequate reserves. Remember this, whatever the disadvantages of Government control in this matter, we have throughout in the past had behind us the credit of the Secretary of State in London, the borrowing power of the Secretary of State in London. That has been a very substantial reserve behind any currency or gold reserves or sterling reserves that we may have had. And if we are to form a Reserve Bank and make it really independent, that bank has got *ex hypothesi*, from the very nature of the purpose in view to stand alone. Therefore, it must start with adequate reserves. Now, I venture to say that, as we stand at present, in the present economic disequilibrium with the violent oscillations that are going on now, and the uncertainties of the future, our reserves, as they stand now, are not equally adequate. I should not like to start a Reserve Bank unless we can get bigger reserves than we have at present.

How are we to get those? I think there are two ways; either we shall have to borrow abroad, increase our resources by raising some large loan abroad, or we must make an appeal—a national Government must make an appeal to the Indian nation to provide gold reserves. I believe that

that can be done, and I believe that that is what ought to be done in the interests of India. But I am sure my Honourable friend will recognise that we are not in a position now to make such an appeal; that that can really only be made by a national Government—a national Government making an appeal to a new national spirit which it is hoped will flourish under a new constitution. As regards the other alternative, the raising of funds by borrowing abroad, this is not really the moment to consider such a suggestion. I am sure it will be recognised that it would not be a very popular move in India. There has been sufficient criticism of our sterling borrowing already, and this is not a moment when we can go with great confidence to any foreign market and ask for a loan on the scale which would be necessary for this purpose. The political uncertainty alone is a factor which I think would deter one from making such an effort just now. I have mentioned these two considerations, because I think they afford real practical difficulties in the way of the situation. But in this world, and particularly in the financial world, conditions are apt to change very quickly, and at any moment some opportunity may arise. My Honourable friend himself referred to one possible opportunity, that we might, somehow or other as part of a general arrangement about silver, use that as an opportunity for strengthening our gold reserves. I can assure my Honourable friend that I shall be on the alert to seize any opportunity of that kind, that may come along, but for the present, I cannot honestly say that I see it as a strong probability. That, Sir, is all that I have to say about the Reserve Bank.

Then, I must say something about what the Honourable the Deputy President said about currency contraction. He referred to an argument which I had used in my Budget speech, in which I said that the contraction of our currency really represented a much smaller percentage than the fall in the wholesale price index number. I only put that argument forward as a sort of check on the situation. I quite recognise that the argument cannot be applied with exactitude. You cannot say that there has been a fall of 30 per cent. in the wholesale prices and therefore our currency should be reduced by 30 per cent. But when we find that the fall in wholesale prices had been something like 30 to 40 per cent. and the reduction of the value of your currency—I am speaking offhand, I do not remember the exact figures—had been something like 18 per cent., I think it was a sound argument to say that that at least makes out a quite *prima facie* case that the contraction of currency has not been excessive, and I still maintain that argument. There are many other ways in which the position can be tested, but that at least, I think, is one way of testing whether contraction has been excessive. Then my Honourable friend said if we have to do that in India, why should not that sort of thing happen in other countries, and then he quoted some figures, and I cannot for the life of me make out where he got them from or how they can support his arguments. I think he said that in the last year the note circulation in the United States had considerably increased.

Mr. R. K. Shanmukham Chetty: If my Honourable friend does not mind my interrupting him, I got this information from a tabulated statement in one of the financial papers in India, which I will pass on to my Honourable friend. In making that comparison, I did not take only one year but the period from March 1926 to December 1930. In that period

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we have contracted by 20 per cent of the net volume of our currency, while the United States has increased the currency during that period by 4 per cent. and Japan by 19 per cent., while in England the contraction has been to the extent of one-half of one per cent.

The Honourable Sir George Schuster: I am afraid I had not heard my Honourable friend exactly. I thought he was referring to the last year, but still even on his figures I venture to state that his argument really does not carry him where he wants it to carry him. Now, in the first place, as regards the United States, the figures which he is using refer only to the Federal Reserve Bank notes. But there are many other kinds of notes in circulation in the United States, of which we have no record at all. There are many other kinds of notes and also other coins in circulation and you cannot take the Federal Reserve note figures alone as indicating the whole picture. But there is something much more cogent than that which I want to say, and that is this, that if you make a comparison between countries like the United States and England and India, the real currency in England and to a great extent in the United States also is the cheque system, which is very highly developed. There is no parallel to that at all in India and therefore that alone makes the basis of comparison not a perfect one by any means. The real contraction and expansion in England certainly would take place in other ways. The note circulation is of comparatively minor importance. Now taking the Japan figures, as far as I can make out on the 3rd April, 1926, there were 1,208 million yen in circulation and on the 6th December, 1930, there were 1,111 million yen in circulation. Therefore there was a considerable drop in the currency in circulation. I do not know what date my Honourable friend took for his comparison. I would like to call his attention to this. The figures show that just at the turn of the year there is always a very remarkable expansion in the note circulation in Japan. If he looks at the figures for 1930 he will find that on 20th December, 1930, the note circulation was just over 1,100 million yen. On the 27th December it went up to 1,408 million yen. On the 3rd January it was 1,436 million yen and on the 10th January it had dropped to 1,117 million yen. Therefore it is quite clear that for window dressing purposes there seem to be certain operations carried out in Japan by the Japanese banks just at the turn of the year; and if my Honourable friend has happened to take those figures for his comparison I think that explains where the increase comes from. I do not want to pursue this matter in great detail now. There is no time. If we want to do that, we must have a full day's debate, but what I would say now is this. There are so many factors concerned, that unless one has the time to go into the whole position, it really is impossible to make comparisons. Perhaps I have been to some extent myself to blame for having used one particular line of argument in my Budget speech. Nevertheless I maintain that as a test of what we have done, that argument is a thoroughly good and valid one, because in India which is really a primitive country in this sense, the fluctuation in the volume of currency in circulation must bear some relation to the fluctuation in the index prices. I do not however suggest that that is the only factor, and if my Honourable friend

will give me a chance of talking this matter over fully with him, I am prepared to disclose a great number of other arguments with which I could support my case that the volume of currency contraction in this country in the last year has not been excessive. I will ask the House to take that on trust for the moment and will not pursue the matter further.

Now, as regards silver, I had meant to say something, but the time is short and as my Honourable friend was almost entirely on my side in the matter, I do not think I need deal with his argument. The only thing I have to say is that he has suggested we might do better if we conducted a more effective propaganda as to the value and the wisdom of Government's policy in this matter. I can only say that I wish that I had my Honourable friend sitting by my side to make my case out for me. I think he would be a most excellent advocate and propagandist.

Then, Sir, I must turn to another stalwart critic who has spoken on this Budget. I refer to my Honourable friend Mr. Ramaswami Mudaliar. He selected a number of detailed cases for establishing the point that we were not effectively pursuing retrenchment in civil expenditure. Now, I have looked up all those cases and I think I can give him a very effective answer to every point that he made. In fact, he has in a sense presented me with rather an easy front for attack in this matter. But I do not want to make too much of it, because, although the matters to which he has called attention do not represent any new expenditure or any increase made recently, just at this time when we ought to be thinking about Economy, I think that the nature of all these allowances to which he refers is one of the matters into which a proper retrenchment inquiry ought to go very thoroughly. Therefore I do not object at all to my Honourable friend having referred to these cases. I might give the facts on one or two points. Now, as regards the first point, referring to the rates of pay of officers in the Stores Department of the Burma Railways. The Government of India's notification of the 11th March, to which he referred, merely embodied in the form of statutory rules the existing rates of pay of officers of the Stores Department of the Burma Railways, rates which were in force when the Burma Railways were taken over by the State. It did not add a single rupee to the cost of the Stores Department. On the contrary, as a matter of fact, by confining personal pay, which would have been drawn by officers of this Department, by confining that personal pay to those officers only, who were in the service of the Company on the 1st of January, 1929, when the railway was taken over, there has actually been a saving of expenditure. The new officers coming in after the 1st January, 1929, will, instead of a personal pay, draw compensatory allowances at rates mentioned in the Gazette Notification, and this will actually mean a saving in leave allowances. Therefore, Sir, I do not think it is fair to point to that as an illustration of extravagance going on just at this time when we ought to be economising. Then, Sir, he referred to two other cases—one being that of the Deputy Port Officer, Pilotage, Calcutta. The facts about that are these. The post was sanctioned for three years on a temporary footing in 1927. It has now been made permanent with the concurrence of the Advisory Pilotage Committee with effect from the 1st

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of March, 1931. No increase in pay is involved. Provision has been made for the post under the heading A. (4) (1): Pay of Officers, Branch Master and Pilots, on page 224 of the book of Demands. The officer is only a senior pilot. The Notification had to be issued, as all sanctions given under rule 232 of the Classification Rules have to be given in the form of a rule published in the Gazette. The pay of the post is non-voted and is lumped with that of such other pilots whose pay is not subject to vote. So there again no increase of pay is involved but simply a notification made because the post had to be made permanent. The other case was that of the Director of Inspection, Indian Stores Department. There the notification was rendered necessary as the sanctioned pay of the post does not carry sterling overseas pay. Mr. Cardew, however, was in receipt of that pay in the Railway Department and sterling pay had to be continued to him on appointment to the Indian Stores Department. It was simply a case of an officer who was posted from one Government post to another who could not be deprived suddenly of his privileges. Sanction accordingly had to be notified under rule 232 of the Classification Rules. It may be mentioned (I take this from my note), that Mr. Cardew's predecessor in this post was also in receipt of a sterling overseas pay as a personal concession. So no increase of expenditure was involved in Mr. Cardew being allowed to retain the sterling overseas pay, not only owing to the fact that he himself had been in Government service before, but also because the officer whom he was replacing was in receipt of sterling overseas pay, though in his case it had been apparently given to him merely as a personal concession. So that really the notification in each case was a mere formality and no increase in expenditure was involved. Then there is another case which perhaps has had rather more substance in it, and I would like to explain the facts to the House as it has been mentioned. It is about the question of a notification or an order by the Secretary of State increasing the leave pay for Governors on leave. That as a matter of fact came up entirely in connection with the rather exceptional arrangements, which were necessary when His Excellency Sir Malcolm Hailey and His Excellency Sir Charles Innes attended the Round Table Conference as delegates. When they attended the Round Table Conference as delegates, not on leave at all but on duty, the Secretary of State considered it unfair to treat their period of duty with the Round Table Conference as leave. Now the leave allowances for Governors are limited to Rs. 4,000; while as a matter of fact there were many other officials there who were drawing much higher deputation pay than these two Governors were, and a really very unfair anomaly existed. It was necessary to make an order to cover that anomaly, and because Governors are not allowed to go on deputation but only on leave, it was necessary to increase their leave pay, but I may note that the order is only being applied to the period during which those Governors were actually on duty at the Round Table Conference, and their leave, after the conclusion of the Conference has been and is being treated as ordinary leave on the old original leave salary of Rs. 4,000. Therefore this concession was a purely exceptional concession made to cover the period when those two Governors were attending the Round Table Conference on duty.

Then, Sir, there is another point about which a good many speakers have had something to say, and that is this. Comment has been made on the increase in non-voted expenditure. Now I think Honourable Members are aware of what the definition of non-voted expenditure is. That is to say, it is expenditure specified in section 67-A of the Government of India Act. It covers salaries and pensions payable to persons appointed before the 1st of April, 1924, by the Governor General in Council or by a Local Government to services or posts classified by rules under the Act as superior services or posts. Now the question of framing suitable rules as to the classification of posts as superior service posts has apparently been under consideration since 1925 in consultation with the Local Governments. The rules were ultimately made with the sanction of the Secretary of State in Council on the 15th October, 1930, and this has resulted in the transfer from the voted to the non-voted category of the salaries and pensions of certain officers who were appointed before the 1st April, 1924, because the posts that they held have now been classified as superior service posts. There is nothing racial or communal about this; it merely applies to these posts,—as a matter of fact an honoured Indian representative of the Finance Department who sits behind me tells me that he happens to be one of these officers whose pay used to be voted but now from next year is going to be non-voted merely because he, before the date in 1924, had been holding one of those posts which are now classified as superior service posts.

Diwan Bahadur A. Ramaswami Mudaliar: Is it a fact that this classification is still going on, and that a special officer, Mr. Gladding, is now going through this list again and further classifying these posts?

The Honourable Sir George Schuster: If my Honourable friend will allow me to defer my answer to that question, I will give it to him. I cannot answer it off-hand, but what I want to say is this that the underlying purport of all this is that we have simply carried out, by a certain notification, a purely technical change, and I cannot imagine it will have any effect whatever on the future constitutional issues.

Sir Cowasji Jehangir: May I ask whether the classification between voted and non-voted is governed by the test whether the appointment is made by the Secretary of State or not, and not by dividing posts into superior or otherwise? How can you do it by classifying posts as superior and otherwise? It is only a question of how a man was appointed, and it is not a question of anybody being classified as belonging to a particular class of post. It is all the Act.

The Honourable Sir George Schuster: If my Honourable friend will look at the Government of India Act, he will find that both criteria apply—either appointment by the Secretary of State or holding a post in the superior services. I can assure him that the procedure is being correctly followed in the matter. Now, Sir, as regards the actual facts of the case, if Honourable Members will turn to Appendix VI of the Financial Secretary's Explanatory Memorandum, they will see that it shows that the percentage of voted expenditure to the total stood at 46 during the years 1928-29 to 1930-31 and has dropped by just one per cent. to 45 in 1931-32, so that there has actually been only a very slight decrease in the percentage of voted expenditure; and I do not think it can be argued that that has an

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appreciable effect on the Assembly's control over expenditure, which, I know, Honourable Members think is entirely unsatisfactory, whether it affects 45 per cent. or 46 per cent. of the voted expenditure.

Diwan Bahadur A. Ramaswami Mudaliar: The Honourable the Finance Member knows that in making these total calculations, items of a capital nature also are being taken into consideration, and not merely the service items.

Mr. H. Shankar Rau: That is the expenditure charged to revenue, which the Honourable the Finance Member was not referring to. Expenditure charged to capital varies widely from year to year. But even if that is included, the variation is only 2 per cent.

Sir Cowasji Jehangir: The expenditure charged to capital is non-voted.

Mr. H. Shankar Rau: Some portion.

Sir Cowasji Jehangir: Only relating to services.

The Honourable Sir George Schuster: I would ask the Honourable Member not to pursue this question. I will try to analyse all the figures and give him an explanation as to why there has been this slight increase in the non-voted expenditure. If anybody desires to follow up the matter further, I shall be very pleased to furnish a full memorandum on the subject. The point I wanted to make was this, that there has been no conscious intent going on behind the scenes to shift officers from the voted to the non-voted category and that is, it has nothing whatever to do with racial questions or anything of the kind; it was merely certain tests which have been under consideration for a number of years and it is the late completion of a process which was started in 1925

Diwan Bahadur A. Ramaswami Mudaliar: If my Honourable friend would forgive me, I was thinking of an expenditure like this. The interest charges on non-voted item in 1930-31 was Rs. 7,70,74,000 and non-voted item in 1931-32 is Rs. 6,58,42,000, a decrease of nearly one crore and 22 lakhs. If you take all this into consideration and take the total non-voted expenditure some years ago and the total non-voted expenditure now, your proportions between the two proportions would be a fallacious way of looking at the increase of non-voted expenditure.

The Honourable Sir George Schuster: I am not quite sure what my Honourable friend's point is. Is it that there has really been a much greater effective change which is often off-set by a drop in matters like interest charges? I should like to have time to look into those points. These are the figures that have been supplied to me. But the facts remain, as I stated, that the reason for this change, this apparent increase in the non-voted expenditure, is simply the classification of certain posts as superior posts which has had to be carried out this year as part of the formal arrangements which were launched many years ago and which have taken some time to complete. It is simply an example of the Government machine working rather slowly but working surely along a course which was started a long time ago. But if my Honourable friend suggests that there is any sinister intent in it, I would like him to satisfy himself as to the facts.

Then dealing with these special cases, reference was made to an extra allowance given to the Secretary of the Central Board of Revenue. The Secretary is to be given Rs. 300 as overseas allowance. That is simply because the previous Secretary, who was not an I. C. S. officer, was replaced by an I. C. S. officer, whose rights included that overseas allowance of Rs. 300. Therefore, the point I want to make is that in all these cases, my Honourable friend has only detected the ordinary operation of these rules, and it is really not fair for him to suggest that they are indications of any lack of attention to detail or any lack of proper efforts to effect economy during the recent months. They are matters in which we have no discretion at all, and as I said at the beginning, if they indicate anything, they indicate that there are certain privileges and allowances which may possibly in themselves be undesirable, and which certainly can be a subject of enquiry by any Retrenchment Committee which is set up.

Then, Sir, my Honourable friend also spoke about capital expenditure. My Honourable colleague, Sir George Rainy, has already dealt with that particular point, the particular point of the Vizagapatam harbour. There is only one thing I want to say about that because I want to bring his charge into relation with our policy and the policy for which I am responsible. That particular harbour scheme was of course started in 1925-26 long before I personally ever thought of coming to India. If my Honourable friend would take the trouble to go through the financial history of the last two years, he would find that even he could not condemn me for not laying a heavy hand on the restriction of capital expenditure. It is one task above all others—a most unpleasant task, because it has meant restricting the railway programme—it is the one task which unfortunately I have had to tackle as one of the major factors in my financial policy.

Then, I would turn to what was said by the Honourable the Leader 5 P.M. of the Independent Party. He referred very largely to Army expenditure and based his charge on the general arguments that the Army is much too large, that the dangers are exaggerated, that the addition of the Royal Air Force to the military forces has not been taken into account in the reduction of expenditure. I shall have something to say about that later on, and I do not want to dwell upon it now. He also made a general charge against the whole system of Government administration. He said, "It is an extravagant organisation, there is great duplication in the working of the machine; in a sense it makes work for itself and a large number of posts can be cut out". He spoke chiefly of his experience in the districts which, of course, is a matter for the Provincial Governments. But he referred also to what we can do in the Central Government, and indeed I do not think we can make any distinction now between economy in the Central Government and economy in the provinces. Of course we cannot make a direct attack on the problem of the provinces, but really the problem is essentially the same, because, as I see it, our task in the future must be to find more money for the provinces and it is the provinces which are going to get into the chief financial difficulty owing to the fall in the prices of agricultural commodities. Therefore, it is entirely relevant to talk about the provincial administration as well as the Central Government administration, and I think I must admit to a certain amount of agreement with what was said by my Honourable friend about the duplication of administration. We are probably all of us prepared to agree in our criticism of the system of heavy files, series of notes, first by one officer, then by four or five others and so on coming by slow

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degrees from bottom to top, and system which served as material for criticism by Lord Curzon in his trenchant notes, which though written some years ago, I personally am often tempted to quote as a result of my own experience. We are all agreed about that. But it is not quite easy to say, "change the system", because there are great dangers in scrapping ruthlessly or recklessly a system which works at present, and I do want to say this word of caution. But having said that, I put myself whole-heartedly on the side of Honourable Members opposite, and I say this is one of the lines of enquiry which a thorough retrenchment enquiry ought to follow up, and that, if I may say so, is one of the reasons why I have handled this whole retrenchment business as I have. I do not believe in sudden outside enquiry which a committee like the Inchcape Committee carried out. It was very good at that time, coming after a period of war extravagance when there were big things to be cut away. But in the ordinary times when what you have got to deal with is the result of years of normal growth and when we have got to try and adjust our machine to a new economic condition and a new economic level, then I think we want something different. You do not want cuts which remove certain things which sooner or later will have to be replaced. What you want to do is somehow or other to simplify the whole machine and get it down to a lower scale of expenditure which will be permanent. We have seen in so many cases of the Inchcape cuts that they held good for a time and then the things which had been cut away had to be replaced. We have seen—and this is one of the things which I have been suffering from in the last two years—a practical elimination of certain services for two or three years and then accumulated needs growing up and suddenly having to be met, with claims which cannot be disposed of. That is what we want to guard against. We want really now to effect real permanent economy, a real lowering of the permanent expenditure of Government; and it is going to be a very difficult task. It is a task which I think can only be carried out in the face of an emergency which gives driving force to the inquiry, and it can only be carried out with the force of public opinion behind it. Therefore I have hopes from a retrenchment committee launched in the circumstances that we are discussing now.

Sir, I have got rather far from any consecutive line of discussion on this subject in dealing with the particular remarks of various speakers. But if I might return to the main theme, I have been trying in the course of this debate to detect through all that has been said a voice of genuine public feeling, speaking through what Honourable Members have to say, sometimes in exaggerated terms and sometimes by reference only to particular matters. One has to distinguish what I think one may describe as genuine public feeling from the representation of particular interests, and I think every one will agree that one of the main notes that have been struck has been that, so far as the income-tax proposals are concerned, at least so far as they hit the lowest classes, they are too heavy. That is one note that I think I have heard. The other is that the representatives of the public must take the only action which is open to them, that is to say, some form of restriction of new taxation, to force Government to recognise the public feeling that, with the present reduced level of economic vitality, the country cannot bear the present level of expenditure. To such a message we on the Government Benches certainly could not turn deaf ears. But any response that we can make

must be limited not only by inexorable facts, but also by certain principles which in the interests of public credit must be respected. As to the facts, I have tried on various occasions to impress upon Honourable Members the limitations on what we can do immediately to cut down our provision for expenditure to the lowest limit, consistently with the public interest. As to the principles, there is only one that need be mentioned and that is that the expenditure of the year must be provided for by straightforward and sound methods. We cannot willingly leave any part of it uncovered to be met by an increase in our floating debt. Coming back again to the facts, I had intended tonight to do something more to reinforce what I have already said and to take the Members through certain instances of the way in which we have handled the various departments of the civil Government. But the time is late and I think I must cut out that portion of what I had intended to say. I want to say something about military expenditure, and in leaving the civil expenditure without further remark I am strengthened by two things: first, because my Honourable colleague Sir Fazl-i-Husain has already said something about it, and secondly, because, I believe, I have detected again a genuine feeling on the other side, a recognition that as regards immediate economy we cannot do very much in regard to the civil expenditure this year. Perhaps we may have an occasion to discuss that matter again.

Now, as regards army expenditure,—and here I come back to what was said by my Honourable friend Sir Abdur Rahim—what we have got to consider here is not what we should like to do, but what we can do in the immediate future for the purposes of the present Budget. And here I would ask Honourable Members to face realities with me. It is no use considering whether the Army in India is too large or whether His Majesty's Government ought to make a contribution for Imperial purposes, either a general contribution for Imperial purposes or at least a surrender of the capitation payments. It is no use considering these questions, because we cannot deal with them at present. As to the first question, the question whether the Army in India is too large, that is a question which is going to be discussed as a result of the Round Table Conference discussions, and we cannot anticipate those. On the other question, whether His Majesty's Government ought to make a contribution for Imperial purposes or surrender the capitation payments, both these are questions which His Majesty's Government have definitely agreed to submit to an independent tribunal, as I said the other day, and that method also will be pursued in its proper time. So really our practical concern is whether the Army or the Army expenditure as it stands at present can be reduced this year. To achieve this purpose there are two possible measures, a more business-like administration on the one hand or a slowing down of the re-equipment programme on the other. As regards the first more business-like administration, I believe myself, as I have already said, that the Army is run in a sound business-like way. But there again Honourable Members will have an opportunity of going into that matter, of testing how much room there is for improvement, as part of the retrenchment inquiry. As regards the second point, the question whether re-equipment can be slowed up this year, I return again to what I said at the beginning of my speech that is to my suggestion that Honourable Members, or some of them should meet His Excellency the Commander-in-Chief and hear

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what he has got to say on this particular question. I cannot say more than that at present, but I think the time has come when if Honourable Members intend to criticise us or refuse to accept our proposals, it is fair for us to ask them to come and examine the actual facts with us which we will disclose with complete and absolute frankness to them. That is a genuine offer, and I trust Honourable Members will take advantage of it. Then, as regards the general Army expenditure, I do not wish to flog a very weary horse or an over-wearied Assembly with further discussion of Army expenditure. But there are certain things which I think it is important that Honourable Members should realise when they are considering this whole question in its wider aspect. I think one line of thought on their side has been that we are now facing, as regards agricultural commodities, a level of prices which is if anything rather lower than the pre-war level; and Honourable Members say, "Here is an Army Budget of 52½ crores whereas the last year before the war the Army budget was just under 32 crores." I think Honourable Members may feel that that represents more nearly what the country can afford today. I wonder how many have tried to compare pre-war Army expenditure and the pre-war Army, with the Army as it exists to-day, and to consider exactly how the increase in expenditure has come about. I would like to give Honourable Members a few of the salient facts about it. Actually, as far as Indian troops are concerned, the numbers are almost exactly the same; as far as British troops are concerned, in the last year before the war there were 76,000 British troops in India; there are now 60,000—therefore the total number of troops has been very much reduced. On the other hand there have been a number of increases in expenditure which are either unavoidable or part of the policy which the Army had to adopt. The increases of pay account for about 3½ crores; increases in pensions which include all the war pensions, account for about 3½ crores; and then one very big change, the giving up of the sildar system in the Indian army, I am told, is costing the Army now 4½ crores as compared with before the war. There you have three items alone which have added 11½ crores to Army expenditure. Then on the top of that you have got the Air Force,—nearly 3 crores; and so on. I think these figures are interesting and I think Honourable Members, who want to study this question, would do well to make these comparisons and just see for themselves where the difficulties come in and realise that it is not a swollen army which has produced this expenditure—it is the result of a good many adjustments, partly adjustments in pay brought about by the war, economic changes, partly adjustments in the system which war experience proved to be necessary. Then I would also have liked to take Members through the whole of the Army Budget and the main headings of the Army Budget and let them see exactly what is the importance of those items of stores where we are supposed to be able to make substantial economies. But as a matter of fact I will not attempt to do that tonight. I would only say this: the total stores part of the Budget is something like 8½ crores, of which only a small portion—not much more than about a quarter—represents grain purchases, and as I have already said, it is only in respect of grain purchases that they have yet received the full benefit of the fall in prices

Sir Cowasji Jehangir: What about leather goods?

The Honourable Sir George Schuster: I am told—I have been into all these things very carefully—that they do not see any justification for putting down their estimates under those headings. But the whole question is being very carefully watched. If there is any economy we shall get the advantage of it, but I cannot provide in the Budget for anything less than the expenditure which on all the evidence before me is likely to be incurred. If my Honourable friend wants to go into that question, it is just one of the questions which should be followed up in more detailed discussion than is possible in this House.

Honourable Members, who I am sure are by now very wearied, may say to me that I have answered certain points, but they will say, "All that is very true, but the fact still remains that this is an appalling Budget and we cannot swallow it as it stands." I just want to ask them whether they honestly feel that this is such an appalling Budget: What has been its general effect on the country? Has the country been very shocked by the proposals that have been made? I just happened to have put into my hands as I was coming down a circular from a firm of brokers in Bombay who generally criticise all that I do most severely, and this is what they write in their circular of the 14th March:

"The budget announced on the 28th February was a good one. It had been dreaded for months, and this dread had retarded business and depressed securities. It was feared by many that the deficit would be unbridgeable. The estimated deficit proved to be in accordance with the most conservative expectations and has been bridged with facile ease, with the exception of that part covered by the transfer from Railway reserve. It has naturally met with severe criticism especially as far as expenditure is concerned; and although criticism on this and on other major heads is certainly justified, it must be considered on the whole a good budget as its appearance led to a general revival on the stock exchange, although that revival may have been assisted by the calling off of the civil disobedience campaign."

Sir Cowasji Jehangir: Are you reading from Premchand Roychand's Report?

The Honourable Sir George Schuster: No, I am not! (Laughter.) I will give the name—it is Messrs. Forbes and Lunds' Report. I think I may say that they are generally extremely critical of Government actions. I do not claim any great authority for such reports, but they must represent the general feeling of what the "man in the street" says in Bombay. My Honourable friend shakes his head; but he cannot get away from the fact that Government securities have improved since then and that the general feeling in Bombay has considerably improved. Securities have risen; exchange is strengthened; we have been able to purchase about a million pounds worth of gold within the last few days and so on. The position is undoubtedly far better than it was before the Budget was introduced, and although I fully recognise that the political settlement has had something to do with it, I cannot accept the charge that the Budget has upset people or done anything more than create an impression that while the situation is a serious one, it has been honestly met, and that the general effect of the Budget proposals is not going to kill the economic life of the country. That, Sir, is my contention.

We have also heard, and I sympathise with it to a very great extent, a great deal about the hardships of income-tax payers. Income-tax payers undoubtedly are going to be hard hit; but as I have said we are already in the midst of a very serious economic crisis; and if I have to give my sympathies to any class, it is not really to the income-tax paying class but to the agricultural producer. He is the man who really

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is hard hit and it is his case that we have got to consider; for that is really the essence of the problem in India. The question is what can we do? We cannot in the Central Government devise any means directly to help the agriculturist. But what we shall have to do—and I foresee this very clearly unless there is a substantial improvement in the course of the next year—we shall have to devise ways for some form of assistance to the agriculturist through the Provincial Governments. Well, if that is so, it may be that it is in the best interests of the country that income-tax charges should be increased for that purpose,—and that is a question which I would ask Honourable Members to put themselves when they are considering our proposals in greater detail,—they have got to look at India as a whole, they have got to recognise that we are in very difficult times, they have got to recognise that the fundamental basis of everything in the country is the agricultural producer; they have got to face the problem that if the present level of agricultural prices is to continue, there must be some drastic revision in the whole scale of expenditure, and then with that prospect in view they have got to decide what is the best course that the Government can take just in the present Budget. We are not attempting to deal with the whole problem fully; we cannot do that now, but we have got to do something to carry on while the major issues can be studied and discussed, and I would ask Honourable Members in all seriousness not to regard the immediate situation as the worst sort of thing which the country may have to face, but they should regard this as a preparatory step, a step which ought to be taken now, a step which will give us time to deal with what I call the major issues. As regards the major issues, the review of the scale of Government expenditure is certainly one, and I should like, just before I close, to say what we propose to do as regards the pursuit of this retrenchment inquiry. I have had the advantage recently of discussing the position with the leaders of parties, and I think we came to a fairly clear understanding on the subject and that there was no great difference of opinion between us. What we have to provide for is in the first place for keeping the representatives of the public in touch with what we propose to do, and in the second place for conducting the most effective form of inquiry into the various branches which have to be looked into. I think every one recognised that different forms of inquiry would be required for different parts of the field of expenditure. At the same time, expert knowledge would be required at many points. Honourable Members accepting that position wished somehow or other to keep in touch with what was being done, and I think they also wished that some of the Members should sit in various committees that may be appointed. In these circumstances, what we propose to do is as follows. We propose that there should be appointed a fairly large committee of the Assembly in the nature of a Select Committee, something perhaps analogous to the Salt Committee which was recently appointed,—and I think here I am representing what was the wish of the Honourable Members whom I consulted,—that the Committee should not be elected in the ordinary way by the single transferable vote, but that the Government should select the names in consultation with the leaders of parties, and that I should move a Resolution for the appointment of this Committee as soon as possible. Since I saw Honourable Members, it has been represented to

me that the Council of State would also like to be represented, and I feel sure that there would be no objection to that on the part of those Members of this House whom I have consulted. I would hope that we could have one full meeting before the end of this session at which the general plan could be discussed, but then I think that the most valuable way in which this matter could be pursued would be, that is, if this procedure is adopted, the most useful plan would be for the members of that Committee to meet us in Simla either just at the end of April or at the beginning of May. If we can have two or three weeks' interval we on the Government side can really get down to preparing plans, and we will be able to put before the members of the Committee a well thought-out plan and a well thought-out agenda, and I think then a really useful discussion can take place. In the meanwhile, the members of the Committee will have had time fully to study Mr. Jukes' Report on the review of expenditure, which is now complete, and which I hope to lay on the table of the House in the course of the next day or so. I think if that procedure is followed, it will really lead to the most efficient way of conducting this whole inquiry.

Sir, I am afraid that I have taken a great deal of the time of the House. I do not propose to conclude with any further appeal to Honourable Members' feelings. I have not tried to make a debating speech or anything of that kind. I have tried in the time at my disposal to put certain facts, certain real considerations, before Honourable Members. If I have not been as full as I should like to have been, I think they will recognise the fault is not entirely mine; it has been a question of limitation of time, and if, Sir, the rules of the House permitted me to make one speech each day on a subject of this kind, I should be able to give a much more satisfactory account of myself than I can speaking at this late hour at the end of five days.

Diwan Bahadur T. Rangachariar: Sir, before we proceed further, I should like to make an appeal to the Honourable the Finance Member with reference to the note which he promised about voted and non-voted items.

The Honourable Sir George Schuster: My friend wishes a note to be prepared. I will have that done at once and try and let the Honourable Member have it at any rate before next Monday.

Mr. President: The question is:

"That the Bill 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, 1893, to vary the excise duty on motor spirit leviable under the Motor Spirit (Duties) Act, 1917, to fix rates of income-tax and super-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, further to amend the Indian Paper Currency Act, 1923, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930, be taken into consideration."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Saturday, the 21st March, 1931.

LEGISLATIVE ASSEMBLY.

Saturday, 21st March, 1931.

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

QUESTIONS AND ANSWERS.

SCALES OF PAY IN THE POSTAL DEPARTMENT.

1057. ***Mr. T. N. Ramakrishna Reddi** (on behalf of Mr. S. G. Jog): Will Government be pleased to state:

- (a) whether it is a fact that graduates and under-graduates were and are recruited in the Postal Department on the 5th and 3rd stages respectively of the time-scale of pay, old and new;
- (b) whether revised time-scales were sanctioned by the Government of India in their letter No. 11-P. T. E. to have effect from the 1st March, 1926, and 1st March, 1927;
- (c) whether as a result of fixation of pay in the revised scales, certain graduates and under-graduates recruited prior to revision got less pay than the pay admissible to new entrants having the same qualifications;
- (d) what is the number of such cases in the Bombay Circle;
- (e) whether Government have since received any representations in the matter and, if so, how they have been disposed of;
- (f) whether Government had received representations from the graduates and ministerial servants of the Central Board of Revenue; and all these officials have been given one premature increment to compensate them for their loss; and
- (g) whether Government propose to compensate similarly such officials who are put to loss by granting them premature increments? If not, why not?

Mr. Tin Tut: (a), (b) and (c). Yes.

(d) The information is not readily available and Government do not consider that the expenditure of time and labour involved in obtaining it from the local officers would be justified by the public interests to be served.

(e) Yes. Government after a careful review of the question decided that no relief could be afforded to the individuals affected, their pay in the revised scales having been determined in accordance with the rules in force from time to time.

(f) The facts are not altogether as stated by the Honourable Member. On a representation from the Central Board of Revenue Ministerial Officers' Union of Bombay, the starting pay of graduate clerks in the Income-tax Department, Bombay City, was raised with effect from the 9th October, 1930, from Rs. 90 to Rs. 92 so as to correspond with a stage in the sanctioned scale of pay of Rs. 60—60—4—100—3—160, which was not itself altered, and the pay of graduate clerks in the Income-tax Department, Bombay City, was regulated accordingly by the grant of an advance increment under Fundamental Rule 27.

(g) The Honourable Member's attention is invited to the reply to (e) above. Government are not prepared to reopen the question. In the Posts and Telegraphs Department the scales of pay as a whole were altered in 1926 and again in 1927 throughout India and Burma and the pay of graduate and under-graduate clerks in the Department had to be fixed in the new scales in each case in accordance with the rules in force at the time. Government do not admit that the officials concerned were put to any loss.

CARD AND METAL PASSES ON RAILWAYS.

1058. *Mr. Jagan Nath Aggarwal: (a) With reference to the answer to question No. 703 (2) given on the 25th February, 1931, will Government be pleased to lay on the table a statement showing the number of metal passes lost and misused by (i) Assistant Personnel Officers, (ii) District or Divisional Officers, (iii) officers of the rank of Deputies and above, year by year, for the last five years and state if the number of metal passes lost and misused is large and has been recently on the increase?

(b) Will Government be pleased to state if a card pass is immune from loss and misuse and the reasons why they consider it a useful substitute for a metal pass?

(c) Will Government be pleased to state whether Agents of the State-managed Railways felt the necessity of the contemplated change and moved the Railway Board or did the Railway Board take the initiative by sending a circular letter to Agents calling for their opinion on the subject?

(d) Will Government be pleased to state whether the card passes proposed to be issued in the future will entitle the holders thereof to the same privileges as the holders of metal passes possessed? If not, why not?

Mr. A. A. L. Parsons: (a) Figures are not readily available as to the number of passes lost or misused during the last five years by the officers referred to in this part of the Honourable Member's question, but in 1929, when a census was taken of metal passes which had been issued on State managed railways, it was found that 353 could not be accounted for.

(b) The danger from loss or misuse of a card pass is not so serious as in the case of a metal pass, the former being endorsed as available for use for one year only while there is no such limitation in the case of a metal pass.

(c) The Railway Board took the initiative in this matter.

(d) A metal pass allows the holder to travel over the whole railway system for which it is issued while in certain cases a card pass applies only for journeys over particular sections of a system. A metal pass has hitherto covered a holder's family when accompanying him. Under the rules now proposed to be issued a separate pass will have to be obtained for the holder's family. The rules now proposed provide more safeguards against the indiscriminate use of passes.

RENTS OF BUNGALOWS FOR OFFICERS AT DIVISIONAL HEADQUARTERS OF THE NORTH WESTERN RAILWAY.

1059. *Mr. Jagan Nath Aggarwal: (a) Will Government be pleased to state if it is a fact that at certain Divisional Headquarters of the North Western Railway, the Railway rents private bungalows for officers, when railway bungalows are not available, paying portion of the rent in excess of the 10 per cent. of the salaries of officers occupying them, while at other headquarters where there is also dearth of railway bungalows officers in private bungalows have to pay the entire rent?

(b) If the answer to part (a) is in the affirmative, will Government be pleased to explain the reasons for this differentiation?

Mr. A. A. L. Parsons: (a) Delhi is the only Divisional Headquarters at which, as a special case, private bungalows have been rented by the North Western Railway for their officers. At Karachi also the North Western Railway allow a concession to officers in regard to house rent; there officers not provided with railway quarters make their own arrangements for renting private houses, the Railway paying the amount in excess of 10 per cent. of the officer's salary upto a limit of 10 per cent. Each case is, however, carefully scrutinised before sanction is accorded to ensure that the accommodation and rent are the minimum required for the necessities of the individual officer concerned.

(b) The reason for the special treatment accorded at these two places is that exceptional conditions prevail there.

BUNGALOWS FOR JUNIOR OFFICERS AT DIVISIONAL HEADQUARTERS OF THE NORTH WESTERN RAILWAY.

1060. *Mr. Jagan Nath Aggarwal: (a) Will Government be pleased to state if it is a fact that at the headquarters of certain Divisions of the North Western Railway preference has been given to building bungalows for senior officers, who can easily afford to rent private bungalows, over bungalows for junior low-paid officers?

(b) Is it also a fact that sometimes senior officers have been given railway bungalows built for junior officers and that the latter have had to make their own arrangements for housing?

(c) If the answer to both or any one of the above parts is in the affirmative, will Government be pleased to state what steps they propose to take to redress the hardships to the junior officers drawing less than Rs. 1,000 per mensem?

Mr. A. A. L. Parsons: (a) The answer is in the negative.

(b) No, but in order to protect Government interests, the policy adopted in recent years on the North Western Railway has been to build the smaller and cheaper types of bungalows in preference to the larger types even when they are to be allotted to the more senior grades of officers.

(c) Does not arise.

ALLOTMENT OF BUNGALOWS IN THE MAYO GARDENS, LAHORE, TO JUNIOR OFFICERS.

1061. ***Mr. Jagan Nath Aggarwal:** (a) Will Government be pleased to state what is the total number of bungalows in the Mayo Gardens, Lahore, and how many of them are allotted to junior officers as against their total number at Lahore?

(b) Is it a fact that justification of building this colony was the provision of housing accommodation for junior low-paid officers in an expensive place like Lahore, while in practice the benefit of it is being enjoyed chiefly by the senior-scale higher paid officers? If so, will Government be pleased to state what steps they propose to take to redress this injustice and hardship to the low-paid officers?

(c) Is it a fact that the waiting list for allotment of bungalows in the Mayo Gardens is kept confidential and is not open to inspection by applicants? If so, will Government be pleased to state why this list is kept confidential?

Mr. A. A. L. Parsons: I am informed by the Agent of the Railway that there are 31 bungalows in Mayo Gardens, of which 9 are allotted to junior scale officers in junior appointments, 5 to junior scale officers officiating at present in senior scale appointments, 8 to senior scale officers and 9 to administrative officers. 22 junior scale officers, 4 senior scale officers and 1 administrative officer are accommodated in houses outside Mayo Gardens. There are altogether 61 junior scale officers in Lahore, but there are only 5 junior scale officers on the waiting list who have not yet been accommodated. The main justification for building officers quarters was the difficulty which married officers had in finding accommodation in Lahore due to the shortage of private houses available. The administration contemplate the provision of additional junior scale houses as funds permit. Six have been built in Mayo Gardens and three outside Mayo Gardens during the last three years. The correspondence in connection with applications for accommodation is dealt with in the confidential section of the Agent's office as a matter of convenience as the subject is one dealt with personally by the Agent.

INTERCEPTION OF A TELEGRAM SENT BY MR. MAKHHAN LAL, WHEN EXPELLED FROM JUBBULPORE CANTONMENT.

1062. ***Mr. Jagan Nath Aggarwal:** (a) Is it a fact that out of the six men expelled from Jubbulpore Cantonment, one of them Mr. Makhhan Lal sent a telegram to the All-India Cantonments Association, Ambala, and another to Mahatma Gandhi at Delhi informing them of the illegal and unjustifiable character of the expulsion orders?

(b) Is it a fact that the telegram in question was intercepted and never allowed to reach the destination?

(c) If so, what were the grounds for intercepting the telegram, who intercepted the same and under what law?

Mr. Tin Tut: (a) In order to trace the telegrams referred to by the Honourable Member, it is necessary that the Director-General should know the date on which they were tendered for despatch. In the absence of this information, it has not been possible to trace them.

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

INTRODUCTION OF AN ELECTED BOARD FOR SHAHJAHANPUR CANTONMENT.

1063. ***Mr. Jagan Nath Aggarwal:** (a) Has the All-India Cantonments' Association represented to Government the right of Shahjahanpore Cantonment to an elected Board?

(b) Is it a fact that in November, 1930, Government informed the Association that it was inviting the views of the Headquarters Eastern Command about the proposal and would shortly communicate a decision?

(c) Is it a fact that nothing further has been done so far in the matter and meanwhile the people of Shahjahanpore are being subjected to new taxes without the provision of any compensatory civic amenities?

(d) Will Government be pleased to state what arrangements are made for providing primary education and medical relief to the people of Shahjahanpore Cantonment?

(e) Has the All-India Cantonments' Association informed Government that the only way to meet the growing complaints of the people of Shahjahanpore and similar other Cantonments is to create elected Boards there with a view to associate the people with the local administration?

(f) Do Government propose to adopt this suggestion in case of Shahjahanpore; if so, when, and if not, why not?

Mr. G. M. Young: (a) The Association has addressed the Government of India several times on the question of excluding a certain mohalla from the cantonment area of Shahjahanpur. Government, after careful inquiry, found themselves unable to accede to this request, but as the result of representations since received, they are reopening the question. The Association subsequently made the proposal that if this area could not be excluded, an elected board should be established in the Cantonment.

(b) The answer to the first portion is in the affirmative, and to the second in the negative.

(c) A decision has not yet been reached on the question of an elected board. I am informed that the house and scavenging taxes have recently been increased. Cantonment taxes are imposed by Local Governments.

(d) The information has been called for, and will be supplied to the Honourable Member on its receipt.

(e) The Association has expressed this view.

(f) Government will consider the question when they have received the report of the local military authorities.

APPLICATION FOR TRAINING AT A JAMALPUR WORKSHOP BY A STUDENT OF
THE BENARES ENGINEERING COLLEGE.

1064. *Mr. Bhuput Sing: Will Government be pleased to state:

- (a) whether one Mr. Kailash Chandra Mathur, an I.Sc. of Delhi University and a third year Diploma student of the Benares Engineering College, applied for practical training in a Railway Workshop without allowances to the Chief Electrical Engineer, Jamalpur, East Indian Railway, in August 1930;
- (b) whether his application was granted;
- (c) if the answer to part (b) is in the negative, the reason for the refusal; and
- (d) if Jamalpur was not open to him, whether the applicant was given a chance of getting into any other workshop on the system?

Mr. A. A. L. Parsons: I have called for information from the Agent, East Indian Railway, and will communicate with the Honourable Member on its receipt.

RAISING OF THE RAILWAY PLATFORMS AT KIUL JUNCTION RAILWAY STATION.

1065. *Mr. Bhuput Sing: Will Government be pleased to state:

- (a) whether Kiul is a very important junction on the East Indian Railway for the main, loop and South Bihar lines;
- (b) whether there still exist low platforms at this junction like those at small wayside stations;
- (c) the reasons for not raising the platforms to the footboard level of trains; and
- (d) whether it is contemplated to raise the platforms to the footboard level in near future?

Mr. A. A. L. Parsons: (a) Kiul is a junction of moderate importance on the East Indian Railway.

(b) The Up and Down platforms at Kiul are raised while the island platform is low level.

(c) and (d). The question of raising the island platform will be considered along with the question of raising the platforms at other stations when funds permit.

PROVISION OF BERTHS FOR RAILWAY PASSENGERS AT INTERMEDIATE STATIONS.

1066. *Mr. Bhuput Sing: Will Government be pleased to state:

- (a) whether they are aware that often overcrowding takes place in second class compartments in which berths have already been reserved from the starting station for the night journey by passengers from intermediate stations; and

- (b) whether they propose to issue instructions to guards in charge of night trains to provide accommodation to such second class passengers as get in from wayside stations and do not find accommodation in second class in first class compartments which may be empty for the night journey only without charge of any excess fare as exceptional cases?

Mr. A. A. L. Parsons: (a) It is understood that, in order to ensure reservation from the starting station of a berth in a second class compartment, 48 hours previous notice should be given, and that, in such cases, there is no question of a passenger having to make room for a passenger from an intermediate station.

(b) This is a matter which lies within the competence of the Agent of a Railway and Government do not propose to take any action.

DAILY ALLOWANCES OF TRAFFIC INSPECTORS ON THE EAST INDIAN RAILWAY.

1067. *Mr. Bhuput Sing: Will Government be pleased to state:

- (a) whether the same rate of daily allowances is allowed to European, Anglo-Indian and Indian Traffic Inspectors of the same grade and scale of pay on the East Indian Railway;
- (b) if the answer to part (a) is in negative, the reasons for the discrimination and whether they propose to abolish it forthwith?

Mr. A. A. L. Parsons: Under the old East Indian Railway rules there was such a discrimination. In 1929, orders were issued removing this discrimination and basing daily allowances on the rates of pay of the employees, but the existing staff were of course given the option of remaining under the old rules.

UNSTARRED QUESTIONS AND ANSWERS.

NON-GRANT OF BONUS OR PENSION TO AN INVALIDED COMPOSITOR OF THE GOVERNMENT OF INDIA PRESS, CALCUTTA.

356. Mr. S. C. Mitra: (a) Is it not a fact that by letter No. 220, dated the 31st October, 1928, from the Department of Industries and Labour, Government of India, to the Controller of Printing and Stationery, Government of India, the Government announced that the employees of the Government of India Press, who were appointed before 15th July, 1920, and were not made permanent, would be entitled to a bonus in case of their being obliged to retire before their completion of 25 years' service?

(b) Is it not a fact that Babu Abinash Chandra Bhattacharji, Compositor, Section 4, Government of India Press, Calcutta, being an invalid, was obliged to retire in 1929?

(c) Is it not a fact that the said Abinash Chandra Bhattacharji did neither get any bonus nor pension nor anything from Government on his retirement?

(d) If the replies to parts (a), (b) and (c) are in the affirmative, will Government be pleased to state the reasons therefor?

Mr. J. A. Shillidy: (a) The answer is in the affirmative.

(b) Presumably Babu Abinash Chandra Chakraverty is referred to. If so, the reply is in the affirmative.

(c) and (d). The case of Mr. Chakraverty is at present being examined by the Controller of Printing and Stationery.

PAY OF MONO-CASTERS IN THE GOVERNMENT OF INDIA PRESSES AT CALCUTTA.

357. Mr. S. C. Mitra: (a) Is it not a fact that the comparative statement regarding the rates of pay of the Mono-casters of the two Calcutta presses under the control of the Government of India, supplied by D. O. A.-332, dated 4th October, 1930, of the Department of Industries and Labour, to Mr. S. C. Mitra, M.L.A., goes to show that the Mono-casters of the Government of India Press, Calcutta, who have to work for 200 hours per month get a lower rate of pay than those of the East Indian Railway Press who work for 166 hours per month?

(b) If the reply to part (a) is in the affirmative, will Government be pleased to give reasons therefor?

(c) Are Government prepared to consider the case of the Mono-casters with regard to their rate of pay and bring it to the same level as that existing in the East Indian Railway Press?

Mr. J. A. Shillidy: (a) and (b). The rates of pay of Mono-casters in the Government of India Press, Calcutta, were on a somewhat lower level than those in the East Indian Railway Press, but the scales in the latter Press have with effect from the 1st November 1930 been changed to Rs. 30—1—35 on the basis of 200 hours per month as in the case of the Government of India Press, Calcutta.

(c) Does not arise.

PROPORTION OF SUPERVISING STAFF TO WORKERS IN THE EAST INDIAN RAILWAY PRESS.

358. Mr. S. C. Mitra: (a) Is it not a fact that the proportion of clerks and supervising staffs, *viz.*, Overseers, Office Superintendent, Foreman, Section-holder, Jemadar, Assistant Foremen, Computers, Checkers, Time-keepers, etc., to the actual workers, *viz.*, Compositors, Readers, Copy-holders, Mono-casters, Lino-Mono-Operators, Distributors, Binders, Pressmen, Machinemen, Inkmen, etc., in the East Indian Railway Press is greater than those in the Government of India Press, Calcutta?

(b) If the reply to part (a) is in the affirmative, will Government be pleased to give the reasons therefor?

(c) Will Government be pleased to lay on the table a comparative statement of the number of men now holding the following appointments in the Government of India Press, Calcutta and East Indian Railway Press, Calcutta and Howrah:

Assistant Superintendent, Office Superintendent, Overseer, Section-holder, Foremen, Assistant Foremen, Computer, Checker, Clerks, Workshop Accountant, Time-keeper, Jemadar, Store-keeper, Compositor, Reader, Copy-holder, Distributors, Binders, Pressmen, Machinemen, Inkmen, Lino-Mono-Operators and Mono-caster?

(d) Is it not a fact that the numbers of the supervising staffs and clerks as mentioned in part (a) in the East Indian Railway Press were greatly increased after 1920?

(e) Will Government be pleased to state the number of supervising staff and clerks and that of the actual workers as mentioned in part (a) in the East Indian Railway Press, in 1919 and 1930?

Mr. A. A. L. Parsons: I have called for certain information and will communicate with the Honourable Member on its receipt.

APPOINTMENT OF MR. SLATER AS A SPECIAL OFFICER FOR RAILWAY PRESSES.

359. Mr. S. C. Mitra: (a) Is it not a fact that Mr. Slater was appointed as a Special Officer for Railway Presses?

(b) Will Government be pleased to lay on the table a statement showing the following:

(i) date of appointment of Mr. Slater, (ii) his monthly salary and (iii) total expenditure of the staff and his travelling, leave and other allowances up to date?

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

(b) A statement giving the information is placed below.

Mr. Slater, Officer on Special Duty, Railway Board.

Date of Appointment.	Mr. Slater's Monthly Salary.	Total expenditure of the staff including Mr. Slater's pay.	Compensatory allowances to Mr. Slater.	Traveling allowances.	Leave allowances.	Contingencies.
		Rs.	Rs.	Rs.	Rs.	Rs.
1st March, 1927 to	Rs. 1,500 from 1st March, 1927	1,12,448	6,147	3,079	8,196	345
31st July, 1930 and	Rs. 1,550 from 1st March, 1928					
15th February, 1930 to	Rs. 1,600 from 1st March, 1929					
28th February, 1931.	Rs. 1,650 from 1st March, 1930.					

MEMORIALS FROM EMPLOYEES OF THE EAST INDIAN AND EASTERN BENGAL
RAILWAY PRESSES, CALCUTTA.

360. **Mr. S. C. Mitra:** (a) Is it a fact that the employees of the East Indian Railway and Eastern Bengal Railway Presses, Calcutta, submitted on the 12th January, 1931, and the 17th January, 1931, respectively, two memorials to the Honourable Sir George Rainy, Member in Charge, Railways and Commerce?

(b) If the reply to part (a) is in the affirmative, will Government be pleased to state what steps, if any, have been taken regarding these memorials?

(c) If nothing has been done as yet, will Government kindly state when they mean to take steps in the matter?

Mr. A. A. L. Parsons: A memorial from the employees of the East Indian Railway Press has been received through the Agent and is under consideration. An advance copy of a memorial from the employees of the Eastern Bengal Railway Press has also been received, but the original with the remarks of the Agent is awaited.

RETRENCHMENT OF STAFF IN THE EAST INDIAN RAILWAY PRESS.

361. **Mr. S. C. Mitra:** (a) Are Government aware that the Superintendent, East Indian Railway Press, has given notice of the termination of service to many employees of the binding and composing and distributing department of the said Press owing to general reduction of establishment?

(b) Is it not a fact that in all Government Departments a principle is observed to the effect that at the time of general reduction junior men are retrenched in preference to seniors?

(c) Are Government aware that at the time of reduction of establishment, the said Superintendent has served notice on some employees who are senior in service to many whose services have been retained?

(d) If replies to parts (b) and (c) are in the affirmative, will Government be pleased to give the reason therefor?

(e) Will Government lay on the table a list of names of all compositors, distributors and binders of the East Indian Railway Press, Calcutta, and Howrah, with the date of appointment of each and the names of persons who have been served with notice of termination of service?

Mr. A. A. L. Parsons: (a) The Railway Board have not precise information as to the extent of the reductions which are being made in the East Indian Railway Press, but I am obtaining information on this point for the Honourable Member.

(b) to (d). The method laid down by the Railway Board for selecting employees for discharge on reduction of establishment is described in the two letters, copies of which are appended to this reply. These orders are applicable to the East Indian Railway Press.

(e) Government regret that they are not prepared to call for this information.

No. 683-E. G.

GOVERNMENT OF INDIA.

RAILWAY DEPARTMENT.

(Railway Board.)

To

The Agent,

Burma Railways,

East Indian Railway,

Eastern Bengal Railway,

Great Indian Peninsula Railway,

North Western Railway.

New Delhi, dated the 3rd March, 1931.

Reduction in staff.

DEAR SIR,

I am directed to state that the Railway Board desire that the following general principles should be followed by State-managed Railways in carrying out reductions in staff as a result of the present economy campaign.

2. The main principle in selecting individuals for discharge should be to discharge men in the following order:

(a) those who are inefficient;

(b) those who are the least efficient;

(c) those who have short service. Among them permanent men should ordinarily be retained in preference to temporary employees but men who hold temporary appointments but who have completed 12 months' continuous service, should be regarded as having equal rights with permanent employees.

(d) those who are nearing the age of superannuation.

3. The Board also wish that all practical steps should be taken to see that the unfortunate necessity for reducing staff does not operate to the detriment of communities not at present adequately represented in railway services.

4. It may often happen in applying these principles that employees whose posts are abolished have a better claim to retention than others holding posts on a lower scale of pay. The latter would then make room for the former who should as an alternative to a discharge be offered employment in the lower posts.

5. With a view to eliminating all avoidable hardship, the Board desire:

(1) that an employee who in the circumstances explained in paragraph 4 is retained in a lower post will rank in seniority above men holding similar posts drawing the same rate of substantive pay as that allowed to him on reversion and will subject to continued efficiency be considered, when a suitable opportunity offers, for promotion to the class or grade in which he was formerly employed or to a post of equivalent or lower rank.

- (2) that employees discharged from the services on reduction of establishment should be granted all leave on full or average pay at their credit subject to a maximum of 4 months, provided that if such leave at their credit is less than one month, they should in lieu of it be allowed one month's pay in lieu of notice. When, under these orders, leave of not less than one month is granted, it should be made clear to the employee that his service will not be required on the termination of his leave and that he will not be entitled to a further notice of discharge or pay in lieu of such notice.

As an exception to the above, temporary staff engaged for seasonal traffic should on discharge to the extent such staff would be discharged under normal conditions be treated in respect of leave or notice pay under the existing procedure in force on your railway. When, however, owing to the present serious fall in traffic and the uncertainty whether the traffic prospects of the next busy season will be normal further reductions in the working strength of Transportation and Commercial staff are required to be made as a temporary measure, employees who are not required for duty may be allowed leave or notice pay as prescribed above or, when it is considered probable that a particular employee's services will again be required after a short time or at short notice, leave on half pay for such period as the Agent may deem reasonable but not exceeding 6 months irrespective of whether such leave is due or not. Provided that leave not due should in no case be sanctioned unless the conditions governing the grant of such leave are complied with.

- (3) that employees discharged under clause (c) of paragraph 2 should be borne on a common waiting list for the whole railway and be appointed to any suitable vacancy occurring on the railway in the future in preference to others. No outsider should, therefore, be appointed in any department, division, district or office of the railway so long as a suitable man is available from this waiting list or next after that from among the Great Indian Peninsula Railway strikers who are still out of employment. If an employee who was discharged is re-employed in a lower post, he should, subject to good work, be considered for promotion when a suitable opportunity offers to the class or grade in which he was formerly employed or to a post of an equivalent or lower rank. If, however, he refuses an offer of employment in a somewhat lower post with the prospect of recovering his former position after a time, he will be liable, at the discretion of the authority which offered him such post, to have his name removed from the waiting list.

- (4) when an employee who is retained in a lower post is subsequently promoted to his former grade under the provisions of clause (1) or when an employee who is discharged is subsequently employed in his former grade under the provisions of clause (3) due consideration should be paid to the length and character of his previous service in determining his pay on such promotion or employment.

6. The foregoing instructions are not intended to apply to:

- (a) employees whose substantive pay at the time of discharge does not exceed Rs. 50 per mensem. In respect of such employees the Agent of the Railway will determine the procedure to be followed, and
- (b) Workshop employees, including press employees, in respect of whom the Railway Board will issue separate instructions, as the conditions of their retention in the service are special.

Yours faithfully,

(Sd.) J. F. BLACKWOOD,

Secretary, Railway Board.

No. 683-E. G.

GOVERNMENT OF INDIA.

RAILWAY DEPARTMENT.

(Railway Board.)

To

The Agent,
Assam Bengal Railway,
Bombay, Baroda and Central India Railway,
Madras and Southern Mahratta Railway,
South Indian Railway,
Bengal Nagpur Railway,
Bengal and North Western Railway,
Rohilkund and Kumaon Railway.

New Delhi, dated the 3rd March, 1931.

DEAR SIR,

I am directed to forward, herewith, a copy of the Railway Board's letter No. 683-E. G., dated 3rd March, 1931, which states the principles which the Railway Board have laid down for State-managed Railways in carrying out reductions in staff as a result of the present economy campaign.

Yours faithfully,

(Sd.) J. F. BLACKWOOD,
Secretary, Railway Board.

D. A. :—Copy of letter referred to.

No. 683-E. G.

GOVERNMENT OF INDIA.

RAILWAY DEPARTMENT.

(Railway Board.)

To

The Agent,
Burma Railways,
East Indian Railway,
Eastern Bengal Railway,
Great Indian Peninsula Railway,
North Western Railway.

New Delhi, dated the 6th March, 1931.

Reduction in workshop staff.

DEAR SIR,

I am directed to state that the Railway Board desire that the following principles should be followed by State-managed Railways in carrying out reductions in Workshop staff as a result of the present economy campaign.

2. Individuals should be selected for discharge in the following order:

- (a) those who are inefficient;
(b) those who are the least efficient;
(c) those who have short service. Among them permanent men should ordinarily be retained in preference to temporary employees;
(d) those who are nearing the age of superannuation.

These principles should be applied separately for each distinct category in order that the strength of each category shall not be in excess of actual requirements.

3. The Board also wish that all practical steps should be taken to see that the unfortunate necessity for reducing staff does not operate to the detriment of communities not at present adequately represented in railway services.

4. It may often happen in applying these principles that employees whose posts are abolished have a better claim to retention than others holding posts on a lower scale of pay. The latter would then make room for the former who should as an alternative to a discharge be offered employment in the lower posts.

5. The Board desire that Workshop employees discharged from the service in consequence of retrenchment should be granted one month's pay in lieu of notice. Those who have completed 3 years' service should be allowed in addition a bonus equal to the leave-salary which they would draw if they were given leave on full pay due to them, subject to a minimum of half a month's pay and a maximum of 20 days' pay. I am directed to convey the sanction of the Governor General in Council to the payments involved. Leave should not be granted to Workshop employees discharged from the service.

6. As an exception to the above, temporary staff engaged for special jobs or otherwise should on discharge to the extent such staff would be discharged under normal conditions be treated in respect of leave or notice pay under the existing procedure in force on your railway, provided that such treatment does not in any case result in a temporary employee being given privileges exceeding in monetary value those that would accrue to him under the provisions of paragraph 5.

Yours faithfully,

(Sd.) J. F. BLACKWOOD,
Secretary, Railway Board.

D. A.—Nil.

No. 683-E. G., dated the 6th March, 1931.

Copy forwarded for information to the Chief Accounts Officers, Burma, East Indian, Eastern Bengal, Great Indian Peninsula and North Western Railways and Director of Railway Audit (with 5 spare copies).

(Sd.) T. K. NANA RAO,
for Financial Commissioner of Railways.

D. A.—Nil.

No. 683-E. G.-Pt.

GOVERNMENT OF INDIA.

RAILWAY DEPARTMENT.

(Railway Board.)

To

The Agent,

Assam Bengal Railway,
Bengal Nagpur Railway,
Bengal and North Western Railway,
Bombay, Baroda and Central India Railway,
Madras and Southern Mahratta Railway,
Rohilkund and Kumaon Railway,
South Indian Railway.

New Delhi, dated the 6th March, 1931.

DEAR SIR,

I am directed to forward, herewith, a copy of the Railway Board's letter No. 683-E. G., dated the 6th March, 1931, which states the principles which the Railway Board have laid down for State-managed Railways in carrying out reductions in workshop staff as a result of the present economy campaign.

Yours faithfully,

(Sd.) J. F. BLACKWOOD,
Secretary, Railway Board.

D. A.—Copy of letter referred to.

TRAINING OF INDIAN STUDENTS ON BRITISH RAILWAYS.

362. Mr. S. C. Mitra: (a) With reference to starred question, No. 534, asked by Kumar Ganganand Sinha on the 16th September, 1929, will Government please state whether the information regarding items (1), (2) and (7) as promised has since been collected?

(b) If so, will Government please place the same on the table?

(c) Regarding item (3), of question quoted above, are Government aware that the information supplied by them is not correct as there is an arrangement between the 4 Group British Railways and the High Commissioner for India that no Indian student would be taken in by the British Railways unless he is sent by the High Commissioner for India?

(d) Are Government prepared to verify the statement by communicating with the 4 Group British Railways, viz., (1) Great Western, (2) London Midland and Scottish, (3) London and North Eastern, and (4) Southern Railways on this subject in order to have first hand information?

(e) Regarding items (4) and (6) of question quoted above, will Government please obtain the information required for the period from 1923 to 1926 and place the same before the House, as what is actually wanted is not available from the Reports referred to?

(f) Regarding item (6), will Government please state whether (i) the qualifications required by Government now are quite different from what they used to be previously and (ii) these changes were brought in suddenly?

(g) Is it not a fact that, in case of European British subjects, the qualifications required by the Secretary of State for India in making appointments to the Superior Revenue Establishment of State Railways in the Transportation (Traffic) and Commercial Departments are as follows:

"(1) not less than two years' practical experience of work in the Traffic Department of British or Colonial Railways together with evidence of sound general education"; or

"(2) a degree or diploma of any teaching University of the United Kingdom granted after not less than three years' study in that University or a technical diploma or certificate recognised by the Secretary of State";

(h) In case of part (g) (1) above, when a degree, diploma or certificate is not required, will Government please state what general education is required in such a case?

(i) Is it not a fact that a number of European British subjects as well as Indians have been taken on the Indian State Railways with the qualifications as mentioned in part (g) (1) above?

(j) If so, will Government please state the number of such recruits who were (i) European British subjects, (ii) Indians, since 1923 to 1931?

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

(b) The information has been communicated to Kumar Ganganand Sinha and a copy of the communication placed in the Library.

(c) and (d). The High Commissioner has informed the Government of India that the period of training is determined by the British Railway authorities themselves who refer applications to the High Commissioner of their own accord and are at liberty to take whom they like.

(e) No information is available with the High Commissioner for India.

(f) (i) The qualifications now required for appointment to the Transportation (Traffic) and Commercial Department in India are different from what they used to be previously.

(ii) No. Provision was made in the revised regulations issued in 1926 to enable candidates who had 2 years' training on British Railways to compete for the examination held in 1926 and 1927.

(g) The qualifications required of candidates recruited in the United Kingdom are either:

(a) an Engineering or Science degree of any teaching University in the United Kingdom granted after not less than 3 years' study in that University or a technical diploma or certificate recognised by the Secretary of State. The diploma or certificate held should include among the subjects taken one or more of the following:

1. Applied Mathematics,
2. Physics with Statics and Dynamics.
3. Mechanics (including strength of materials and theory of structure).
4. Prime Movers, or

(b) Not less than 2 years' practical training as pupil or apprentice in the Traffic Department of a British or Colonial Railway following a sound general education which must have included an element of scientific or Engineering study.

(h) Candidates recruited in the United Kingdom are required to satisfy the Election Board that they possess a sound general education which must have included an element of scientific or Engineering study.

(i) and (j). The number of candidates possessing the qualifications referred to at (b) of item (g) of the reply, recruited for State Railways from 1923 to date is:

Europeans	.	.	.	.	.	.	.	.	.	5
Indians	.	.	.	.	.	.	.	.	.	Nil.

TRAINING OF INDIAN STUDENTS ON BRITISH RAILWAYS.

363. **Mr. S. C. Mitra:** (a) With reference to starred question No. 535, asked by Kumar Ganganand Sinha, on the 16th September, 1929, will Government please state, regarding item (1), when they were aware that a number of Indian students were undergoing practical training on railways in the United Kingdom, why did they introduce such drastic changes in 1926, regarding future policy towards recruitment without consulting the High Commissioner for India, who is responsible for the training of Indian students in the United Kingdom?

(b) Are Government aware that such sudden action on the part of Government amounted to a ban on such Indian students and are Government aware as to what an amount of hardship these students have been put to?

(c) Is it not a fact that the High Commissioner for India as well as the Government of India were aware that candidates with full two years' training were not forthcoming as no one was allowed to complete such training by the High Commissioner when his suggestion was obtained as stated?

(d) Will Government please state what was the effect of bringing in the new rules and regulations in 1926, without consulting the High Commissioner for India upon the question of Indianisation? Is it not a fact that these trained Indians could have been posted straight away to take up regular duties, whereas, according to the present system, each probationer after appointment is required to undergo practical training for three years?

Mr. A. A. L. Parsons: (a) and (b). The revised rules were issued in 1926 as a result of careful and prolonged consideration and a copy had been forwarded to the High Commissioner for India before they were issued. At the suggestion of the High Commissioner to meet the case of students who were then undergoing traffic training in England, candidates who had obtained such training for not less than 2 years were as a special case permitted in 1926 and 1927 to appear for the competitive examinations held under the revised rules although they did not possess the qualifications normally required under those rules.

(c) A limited number of such candidates were available. Also as it was represented to the Government of India in 1926 that the proposed relaxation of the new rules would not meet the cases of most of the young men then under training, the exemption which was first granted for the examination of 1926 was subsequently extended, with the Secretary of State's sanction, to the examination of 1927.

(d) The answer to the first part of the question is that the change made had no adverse effect on the progress of Indianisation. The answer to the second part of the question is in the negative.

TRAINING OF INDIAN STUDENTS ON BRITISH RAILWAYS.

364. **Mr. S. C. Mitra:** (a) With reference to reply to part (4) of starred question No. 535 of the 16th September 1929, will Government please make it clear what is meant by the wording "that the candidates did not possess ordinary qualifications"?

(b) What are the "ordinary qualifications"?

(c) Is it not a fact that nothing was stated regarding the ordinary qualifications of such candidates in Note 1 under para. 7 of the Rules and Regulations, published in 1927 which runs thus:

"For the examination to be held in 1927 candidates, who have obtained Railway Traffic training in the United Kingdom for not less than two years will be eligible for admission to the competitive examination although they may not possess any of the qualifications required under this regulation"?

(d) Is it not a fact that two years' training is out of question as already stated?

Mr. A. A. L. Parsons: (a) and (b). These words were not used in the reply to part (4). The words "ordinary qualifications" were used in the reply to part (2) of starred question No. 535 and read with the following words "required under rule" they meant qualifications ordinarily required under the revised regulations of 1926.

(c) Candidates who had not less than 2 years' training were exempted in 1926 and 1927 from the qualifications required under the revised regulations of 1926.

(d) I would refer the Honourable Member to my reply to part (c) of his previous question.

APPOINTMENTS TO THE SUPERIOR TRAFFIC SERVICE OF COMPANY-MANAGED RAILWAYS.

365. **Mr. S. C. Mitra:** (a) With reference to the reply to Part (5) of the starred question No. 535 of the 16th September 1929, will Government please state the results of their inquiries?

(b) Will Government please state whether when any appointment to the Superior Traffic Service of Company-managed Railways is made the formal approval of the Railway Board is necessary regarding such appointments?

(c) If so, will Government please state what are the special or ordinary qualifications of the following gentlemen:

(a) Mr. B. C. Mallik	}	Bengal Nagpur Railway.
(b) Mr. S. K. Sen		
(c) Mr. S. A. Yousoof		
(d) Mr. A. C. Chatterjee		
(e) Mr. N. A. Shad	}	Assam Bengal Railway.
(f) Mr. M. A. Saqui		
(g) Mr. A. N. Roy		
(h) Mr. B. C. Ghosh,		East Indian Railway.

Mr. A. A. L. Parsons: (a) On an enquiry from the State-managed railways it is understood that there are no officers appointed to the superior or local service in the Transportation (Traffic) and Commercial branch purely by reason of their having received training for a short period of a year or less and apart from other qualifications.

(b) No.

(c) Does not arise.

QUALIFICATIONS OF INDIAN STUDENTS FOR RAILWAY SERVICES.

366. **Mr. S. C. Mitra:** (a) With reference to reply to parts (7) and (10) of starred question No. 535 of the 16th September, 1929, are Government aware that there is a large number of European officers on State Railways as well as on Company-managed Railways, who have not had the qualifications that some of these Indian students have?

(b) Do Government recognise the courses at the Transport Department of the London School of Economics and Political Science, University of London, and Membership of the Institute of Transport?

(c) Is it not a fact that the Railway Staff College at Dehra Dun is following the footsteps of the London School of Economics and the Institute of Transport in many directions?

(d) Is it not a fact that some of these students not only had "some kind of training in England" as stated but they had regular courses in the Transport Department of the London School of Economics and Political Science, University of London, and attached to the Institute of Transport?

(e) Is it not a fact that some of these students had the same sort of practical training on the British Railways in the United Kingdom as given to the Probationers as well as to the officers at the Railway Staff College, Dehra Dun?

(f) Is it not a fact that the Government of India gave some hope to some of these gentlemen that their cases would be considered?

(g) Is it not a fact that the names of some of these candidates were brought to the notice of the Agents, Assam Bengal, Bombay Baroda and Central India, Bengal Nagpur, Bengal and North Western, Burma, Madras and Southern Mahratta, and South Indian Railways, as qualified candidates?

(h) Is it not a fact that at that time the Government of India considered their qualifications as adequate?

Mr. A. A. L. Parsons: (a) I would refer the Honourable Member to my reply to item (a) of the previous question stating that on State Railways there is no officer, whether European or Indian, who is recruited merely by reason of his having received training for a short period of a year or less and apart from other qualifications. Government have no detailed information regarding the qualifications of officers on Company-managed railways.

(b) These courses are not recognised as qualifying for admission to the competitive examination.

(c) and (e). The courses of instruction at the Railway Staff College, Dehra Dun, include courses in Economics, etc., but they are a part of subsequent training intended to supplement the initial qualifications required of candidates under the rules.

(d) Government have no information.

(f) I am unable to trace any such undertaking.

(g) and (h). The names of certain candidates who had received training on English railways were forwarded to the Agents of the Company-managed railways named in this part of the question in March, 1926, but it is not a fact that they were brought to their notice as qualified candidates.

ADMISSION OF INDIAN STUDENTS TO RAILWAY SERVICES.

367. **Mr. S. C. Mitra:** (a) Is it not a fact that when Memorandum No. 7 by the Financial Commissioner of Railways regarding the South Indian Railway scheme for recruitment and training of Superior Service was presented before the Standing Finance Committee in May 1928 (*vide* Proceedings of the Meeting, Vol. IV, No. 1), the Committee remarked: "The

possibility of utilising it to afford an opening for those Indian students trained in Europe, who have found themselves shut out from railway employment in the officer grades by the new rules for recruitment" and the Chairman promised to have this examined and brought it again before the Committee?

(b) Is it not a fact that the Memorandum at page 49 of Vol. V No. 2 of the Proceedings of the Committee, which is the result of the Memorandum as pointed out in part (a) above, does not contain any solution whatsoever?

(c) Will Government please place on the table a copy of the reply of the South Indian Railway as promised to the Standing Finance Committee?

(d) Is it not a fact that the Honourable the Railway Member during the last Budget speech admitted in connection with "Indianisation" that in certain cases (i) the qualifying standard was lowered, (ii) the age limit was relaxed to take Indians?

(e) Is it also not a fact that some concession was made in the Indian Forest Service for Indian students trained in the United Kingdom when the new rules and regulations were introduced?

(f) If so, why was not a similar concession given to these Indians who have been shut out from the officers' grade?

(g) Are Government prepared to do something for these Indians who underwent training during the transitory period of 1924 and 1925?

(h) With reference to the reply to part (9) of the question No. 535 of the 16th September 1929 is it not a fact that a reference to the History of Service makes it clear that most of the European and Anglo-Indian Officers in the Traffic and Commercial Departments have not any education whatsoever and no practical training even?

(i) Is it not a fact that according to the Rules and Regulations there is a provision regarding occasional admission of qualified persons to the Transportation and Commercial Departments of Superior Revenue Establishment of State Railways and will Government please state (i) what are these qualifications and (ii) how many from each community have been admitted since the promulgation of this?

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

(b) and (c). I am having the matter examined further and shall communicate with the Honourable Member in due course.

(d) Yes; in the case of the Transportation (Power) and Mechanical Engineering Department for which the requisite number of fully qualified Indian candidates is not at present available.

(e) The reply is in the affirmative.

(f) It was not considered necessary, because the supply of Indian candidates possessing the necessary qualifications for appointment to the Transportation (Traffic) and Commercial Department is adequate.

(g) So far as appointments to the superior service are concerned, due consideration has been extended to Indian students who were undergoing training in England during the transitional period by allowing such of them as had 2 years' training to compete for the examinations held in 1926 and 1927. Government are not prepared to make further relaxation of the rules.

(h) No.

(i) The reply to the first part of the question is in the affirmative. With regard to the second part, the rule contemplates appointments in exceptional cases of persons who possess qualifications other than those prescribed in the rules of recruitment. Under this provision only two appointments have so far been made, one of a Hindu with special establishment experience and the other of a Muslim with similar experience in labour question.

NON-INCLUSION OF CERTAIN MUSLIMS IN THE CENSUS RETURNS.

368. Lieut. Nawab Muhammad Ibrahim Ali Khan: (a) Is it a fact that many streets inhabited by Muslims have not been taken into account at Amritsar in the census and that the lists regarding the Muslims are incorrect?

(b) Is it a fact that many streets inhabited by Muslims have been left out of the census in Moga and Ferozepur Districts? Is it also a fact that Bhangis and Chamars have been enlisted as Hindus and Sikhs?

(c) Has the attention of Government been drawn to the columns of the *Inqilab*, Lahore, of the 8th March, 1931, regarding the census?

(d) If the reply to the above questions be in the affirmative, will Government be pleased to state, what steps they propose to take in order to avoid such like irregularities?

The Honourable Sir James Crerar: (a) and (b), first part. Government have no such information.

(b) (second part). The Honourable Member presumably suggests that Bhangis and Chamars may have been recorded as Hindu or Sikh. This is of course correct, if they returned themselves as such.

(c) Yes.

(d) In view of the preceding replies this does not arise.

MOTION FOR ADJOURNMENT.

MURDER OF MUSLIMS AT MOCHI IN THE MIRZAPUR DISTRICT.

Mr. President: I have received a notice from Maulvi Muhammad Yakub that he proposes to ask for leave to make a motion for the adjournment of the business of the House today for the purpose of discussing a definite matter of urgent public importance as follows:

"The murder of the entire adult male Muslim population of Mochi village in the district of Mirzapur in the United Provinces and the setting of fire to their houses by the Hindus of that locality on the 14th and 16th March, 1931."

I have to enquire whether any Honourable Member has any objection to this motion.

The Honourable Sir James Crerar (Home Member): So far as Government are concerned, Sir, we do not propose to take any objection to this motion if it is the wish of the House that it should be discussed. But in that event I venture to express the hope that every Honourable Member who takes part in the debate will speak with a grave sense of responsibility.

Bhai Parmanand Devta Sarup (Ambala Division: Non-Muhammadan): I object to this motion.

Mr. President: As objection has been taken I would ask those Members who are in favour of leave being granted to rise in their places.

(Less than 25 Members rose.)

As less than 25 Honourable Members have risen, I have to inform Maulvi Muhammad Yakub that he has not the leave of the Assembly to move the motion.

STATEMENT REGARDING PROPOSED CONFIDENTIAL MEETING WITH H. E. THE COMMANDER-IN-CHIEF.

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, with reference to what fell from the Honourable the Finance Member yesterday about the offer which he made to the Leaders of Parties to meet His Excellency the Commander-in-Chief, I am sorry any occasion should arise for making a statement at all. But misleading and false accounts have appeared in the Press. We had an invitation from the Finance Member to attend a private meeting, fairly confidential, to discuss what should be the procedure adopted for the proposed Retrenchment Committee. We acceded to his invitation heartily; and myself and Mr. Neogy and Mr. Shanmukham Chetty on behalf of our party, my friend, Sir Abdur Rahim assisted by his able colleagues, Diwan Bahadur Ramaswami Mudaliar and Sir Cowasji Jehangir, attended the meeting along with Mr. Yamin Khan, who attended for his party and Sir Hugh Cocke assisted by three of his colleagues. When discussing the procedure for the Retrenchment Committee we happened to go into certain details as to whether cuts should be made, and the Finance Member told us in confidence that His Excellency the Commander-in-Chief would be pleased to receive us and give us information as to the details of the military expenditure and show that the expenditure was justified. But when I put the question as to whether part of the information at least would be confidential, he admitted it would be. Then I thought it would not be fair to my party that I should go and share in a conference at which I would be told certain things which I could not disclose to my party members. The object of such a conference should be to convince my party members to take a definite attitude. If I was to share in the confidence of His Excellency the Commander-in-Chief which I was not entitled to disclose to my own colleagues, it was no use, I thought, taking part in such a conference, and it would place us in an awkward position in the party, and that view was shared also by my Honourable friend Sir Abdur Rahim for his party, and so we expressed our disinclination to accept such a kind offer which had been made. The very fact that occasion has arisen for me to rise in my place to make this statement is abundant evidence that my fears were justified. Some Honourable Member who was present at that meeting has disclosed completely or otherwise to some Press correspondent who made it a point to criticise and comment upon the attitude of the Leaders of the Indian Parties in not accepting this offer, as if we were afraid to face the truth.

I saw that in the *Times of India*; immediately I drew the attention of the Finance Member to the fact that our confidence had been broken—I did not know by whom—and that it was up to him to see what action he proposed to take in the matter, and incidentally remarked that Indians are easily accused of not being able to keep confidence and therefore it is not proper that such a thing should take place. I little expected, if I may say, so in all frankness, that the Finance Member would refer to that in his speech yesterday and would refer to it in the way in which he did. He suggested that an apology was due to me by some Member who was present in the conference for having disclosed it. I think that an apology is due to him, not to me. It was by his invitation and under his authority we appeared there as his guests; if any apology is at all due, it is not due to me but to him as the gentlemen who convened the conference, and not to me who was only one of the people present there; so that the way in which he referred to it was rather unfortunate if he will reflect over what he has said yesterday. It is only this morning I saw his speech. I did not follow carefully what he said yesterday, otherwise I should have immediately stood up and said it. Having seen that, it appears to me if we are to decide—and my present inclination is still to reject the offer if it is coupled with those terms, namely, confidential talks: in a matter of this sort where I am acting on behalf of the party, it is absolutely useless on my part unless I am to share confidence in matters of this sort. However I will put it to my party freely; to ascertain if they are inclined to accept the offer and they are willing to let me go or anybody else to share confidence. But I do resent the way in which the confidence was broken and I do resent also, with due respect to my Honourable friend, the rather indulgent way in which he referred to that breach of confidence. I should have expected him to have been more severe and to have expected an apology to him and not to me as Leader of the Opposition, because it is his hospitality which has not been respected. It is not my hospitality which has not been respected, and therefore I hope he will now reflect and see that what he said yesterday was not enough and was only partial. In the comment of the *Statesman* this morning I find as if I am alone responsible for the attitude taken. I am glad to say that I share that responsibility with my Honourable friend Sir Abdur Rahim who leads the Independent Party in such a distinguished manner, and I do think there was a general agreement except for certain gentlemen who were present there. I am very sorry any occasion should have arisen to make a statement of this kind. It shows the dangers of being called to a private conference and confidential talks and we are exposed to suspicion and the Indian public are generally suspicious. Added to that, if this sort of disclosure takes place, I think there will be an end to confidential talks.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Sir, I wish to corroborate my Honourable friend Diwan Bahadur Rangachariar's statement as to what happened at the meeting we had with the Honourable Sir George Schuster the other day. We were asked to meet the Finance Member so that he might have a talk with us on the question of retrenchment as well as, I believe, the Finance Bill. Then in the course of conversation he suggested that we might see His Excellency the Commander-in-Chief—i.e., some of us—and hear what he had to say; and he said at the same time that he might give us information of a valuable character which however would be confidential, and he asked us whether that would suit us. Diwan Bahadur Rangachariar and Mr.

Shanmukham Chetty of his party and myself and Sir Cowasji Jehangir and Mr. Mudaliar of our party were all agreed, and I think Mr. Yamin Khan also, that any confidential conversation with His Excellency the Commander-in-Chief could not help our position in any way with reference to the Finance Bill and the question of the Military Budget. That was our feeling, and we expressed that feeling freely to the Honourable the Finance Member. So far as I am concerned, at least that part of the conversation I expected was not to be made public. As regards the formation of a Retrenchment Committee and all that, it was expected that an announcement would be made in this House, but so far as the suggestion as to our meeting His Excellency the Commander-in-Chief was concerned, I certainly understood that that part of the conversation was to be treated as confidential, and that it was not to be made public or stated in this House. Sir, I must say that I made it clear at that time that we had no personal objection to meeting His Excellency the Commander-in-Chief, but that our objection was that since the information he would give us would be of a confidential nature we should be placed in a very false position with reference to our party, and we could not act upon it in any way. That was our difficulty, and we had not as a matter of fact consulted our parties with reference to any such matter. Now that the Finance Member has made the suggestion again on the floor of this House, as my friend Diwan Bahadur Rangachariar said, we shall also have to consult our own party as to what attitude we should adopt.

Another thing that passed in my mind at the time from the speeches of the Finance Member in this House as to the attitude of the Government was that, so far as the military authorities were concerned, they were not prepared to make any further retrenchment whatever in their Budget, and if that was so, it appeared to me hardly useful that we should have any sort of conversations of a confidential nature with His Excellency the Commander-in-Chief.

The Honourable Sir George Schuster (Finance Member): Sir, I think it is due to me just to say a few words on this subject though one does not want to run into the danger of starting again a sort of second reading debate on the Finance Bill. I must explain that in referring to this matter in my speech yesterday, I did so because I had just received a note from my Honourable friend the Leader of the Opposition, and the matter having become public in the way in which he had called my attention to it,—and it was for the first time as I had not seen the notice in the press—the matter having been made public in that way, I felt that no harm could be done in referring to it again, and as my friend had written to me, I felt that it was to him especially that I should address my remarks. But I want to make one point quite clear at the outset, that I had no intention in suggesting that this attitude was his attitude alone. In fact, in the note which I myself made of the meeting, I recorded that it was the attitude of all Members present, including my European friends, for, I had understood that, after reflection, although they themselves said they would like to have a talk with His Excellency the Commander-in-Chief, they entirely accepted the attitude taken up by the other representatives present. Therefore, I understood that they arrived at an unanimous decision. I happen to have a note of my own speech of

yesterday here, and the words that I used were, "for various reasons my friends thought at any rate that at that stage nothing would be gained by that course", and then I went on to say "Their reasons were, I am prepared to recognise, good reasons". I myself felt the force of their reasons, and I think that there is nothing that I said yesterday which could have been interpreted as casting any sort of reflection on my Honourable friend in particular or on all those present in general for the attitude they had adopted. I then went on to say, "I venture to think that possibly that course might be reconsidered," and that was another reason that I had for mentioning it yesterday—that I wished to renew the suggestion which I had made.

Then, Sir, as regards the fact that I had made that suggestion, I would also like to make this clear, that several speakers in the course of the general discussion on the Budget had thrown out to me the suggestion that Government ought to take representatives of the other side into their confidence. The suggestion was that there were certain facts that could be explained in a private talk, but which could not be made clear in the ordinary course of the debate in this House. I myself in speaking to my friends discussed that suggestion, and I said to them very much what they themselves have said to me since, and what my friend the Leader of the Opposition has just said in his remarks this morning. I recognise that there are considerable disadvantages in any attempt at private conversations, for that course generally does lead to suspicion, and as I myself said in my speech yesterday, I do not really understand what "taking people into confidence" means, because I have already taken the House fully into my own confidence. I have been perfectly frank and I have nothing more that I can say on the subject, although of course there are details which cannot be fully discussed in the course of a debate in this House.

Then, Sir, the intention that I had in suggesting this discussion was this that, if my friends are going to suggest cuts in revenue (that revenue which we desire to get and which we feel in the public interest we must have), I wanted them to appreciate what the consequences would be. That, after all, is what facing realities means and what taking responsibility means. You cannot cut out revenue and reduce expenditure without leading to certain consequences, and I thought it would be valuable if His Excellency the Commander-in-Chief could explain to them fully what the consequences of cuts in Army expenditure would be. My friend has made a special point of the confidential nature of the discussion. It was not really very much present to my mind, though I accept his statement, and I probably did say that in the course of that discussion, confidential matters would be discussed, but as far as the general conclusions are concerned, I fully recognise that if my friends were influenced in the least by what His Excellency the Commander-in-Chief said, they would have to make clear to the public what the reasons for that influence were, and to that extent the conversations certainly could not be confidential, and no one would expect them to keep them confidential.

That, Sir, is all I have to say. I am very sorry that this incident should have led to any sort of feeling on the part of my Honourable friend, the Leader of the Opposition. I am sure he will acquit me of any intention to suggest anything which would justify a grievance. I thought I was exercising a courtesy to him, though I recognise now that in selecting

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him for the exercise of my courtesy I did convey the suggestion that he was particularly connected with the final result. Sir, I have now corrected that impression that he was no more responsible than anybody else, and I myself entirely agreed in his conclusions at that time.

Diwan Bahadur T. Rangachariar: And the apology is due to you. I do not expect it.

Mr. Arthur Moore (Bengal: European): Sir, I should like very briefly to correct a misapprehension. Sir Hugh Cocke unfortunately has to be elsewhere this morning, but I know that he would agree with me in what I say. I understand how the misapprehension occurred; because four Members of the European Group were present at the conversation, and it is quite true that at the end one Member of the Group expressed the opinion that he and we thoroughly understood the difficulty of the other party leaders. We understood the difficulties that they might be placed in, but in our own case that was not so. Sir Hugh Cocke did, I think, make it perfectly clear that the European Group was of opinion that this conference with the Commander-in-Chief should take place, and that we should join in it.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE ON ROADS.

Mr. President: I have to inform the House that the following Members have been elected to sit on the Standing Committee on Roads, namely:

1. Mr. L. V. Heathcote.
2. Mr. B. Rajaram Pandian.
3. Mr. A. H. Ghuznavi.
4. Rao Bahadur S. R. Pandit.
5. Nawab Naharsingji Ishwarsingji.
6. Mr. Goswami M. R. Puri.

ELECTION OF THE STANDING FINANCE COMMITTEE.

The Honourable Sir George Schuster (Finance Member): I move:

"That this Assembly do proceed to the election, for the financial year 1931-32, 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.

Mr. President: I may inform Honourable Members that for the purpose of election of Members to the Standing Finance Committee, the Assembly Office will be open to receive nominations up to 12 Noon on Monday, the 23rd March, while the election, if necessary, will take place in this Chamber on Wednesday, the 25th March, 1931. The election will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

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

Mr. President: Members will now proceed to elect three non-official Members to serve on the Standing Committee to advise on subjects in the Department of Commerce. There are 8 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—contd.

Mr. President: The House will now resume the further consideration of the Finance Bill, clause by clause. The question is that clause 2 stand part of the Bill.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): I beg to move that clause 2 be omitted. Sir, every year attempts are made to reduce this tax, but the attitude of the Government is always against the wishes of non-official Members of this House. In the previous years, many distinguished Members of this House have spoken on the necessity of reduction of this salt tax and I do not wish to weary the House by repeating the same arguments which are so well known to the Treasury Benches. I want only to remind them of one fact. That is the importance of this tax was realised even by His Excellency the Viceroy inasmuch as, in the agreement which has been arrived at between him and Mr. Gandhi, mention has been made of it. The statement says:

"For the sake of giving relief to certain of the poorer classes, they are prepared to extend their administrative provisions, on lines already prevailing in certain places, in order to permit local residents in villages, immediately adjoining areas where salt can be collected or made, to collect or make salt for domestic consumption or sale within such villages, but not for sale to, or trading with, individuals living outside them."

I most certainly appreciate the spirit of His Excellency the Viceroy in accepting the principle underlying my motion, i.e., of giving relief to the poorer people. Thousands and thousands of poor Indians will ever pray for his long life and prosperity. It is stated in the above agreement that it is permissible to collect salt for domestic purposes in the adjoining areas where it is collected or made. Relief has only been given to those people who live near the areas where salt is made, but what about those who live away from those places? It is still a great hardship to them. The treatment of all the people should be alike. The reason of my bringing forward this motion is simply this, that in the places which are far off from the salt-producing areas, the poor people should get their supply of salt at least at a cheaper price and thus the treatment of all people of this country should be nearly the same. I know that there will be a little loss to the revenue, but I see, after introducing the Budget, the Finance Member has introduced other Bills for new taxes. I hope these new taxes will compensate the loss, and if after this loss, some more money is required by the Government, they should reduce their expenditure or I

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suggest that this loss should be made up by increasing the taxes on luxuries and liquors. Salt is a thing which is consumed by the poor. With these words I place this amendment before the House for its acceptance, and I hope and trust that the Government will show, by accepting this motion, that they are really anxious to help the poor people of this unfortunate country.

The Honourable Sir George Rainy (Member for Commerce and Railways): I do not know whether the Honourable Member who moved this motion has realised the precise effect which would result if it were passed. If Honourable Members will look at the clause as it stands in the Bill, it begins:

"The provisions of section 7 of the Indian Salt Act, 1882, shall in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in or imported into, any part of British India other than Burma and Aden"

and the provisions have to be construed in a certain sense. Now, if this amendment were carried, section 7 of the Salt Act would still remain in force and the Governor General would have full powers by rule to make the duties on salt what he chose. The effect therefore would not be the abolition of the salt duty, as my Honourable friend desires, but would merely deprive this House of exercising any control over the power which the law gives to the Governor General in Council. Sir, I think before the discussion goes further, it is well that the House should realize what the position is.

Mr. President: The question is that clause 2 be omitted.

The motion was negatived.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, I beg to move:

"That in clause 2 of the Bill for the words 'one rupee and four annas' the words 'eight annas' be substituted."

Sir, in moving this amendment I will not tire the patience of this House by repeating what we have been saying for the last ten years in this House. In fact Honourable Members on the Treasury Benches have characterized these attempts at the reduction of the salt duty as a hardy annual of this House. With that opprobrium on my head, however, I still bring forward this amendment in order to give as much relief as possible to the poor of this country. Sir, salt is an article which is a prime necessity to every living being on earth, and I may go further and say, to every living organism. We know also that salt is to a certain extent used as a manure; and salt is also necessary for our cattle. Salt is indispensable for the poor man's breakfast too. Many will not be able to realize the value of salt because they get it so abundantly and for an amount of money which to them is trifling, I have seen people taking their breakfast with a pinch of salt only. People who really know the poverty of this land, people who have cared to go through the villages of this country will realize this. Of course living under electric fans and electric lights, with all the amenities of modern civilization, they will not be able to understand fully what it is for the poor to buy salt. They used to pay formerly half an anna for a seer, then three pice for a seer, then one

anna for a seer, then one anna and a half for a seer, and now it has come to two annas in the villages. All these things are known to those who have any knowledge of the life of the poor of this country. I am myself a villager. I live amongst the poor, and I know their difficulty. Many Honourable Members here will not be able to realize it, but at the same time I know they sympathize with the poor and they will support me in my endeavour to get the little relief which I am attempting to bring to the millions of this country by attempting to reduce the salt tax as much as possible. Sir, in arriving at the figure of 8 annas, I have found that the Government will not be a great loser; but of course there will be a loss in the revenue which my Honourable friend, the Finance Member, wants; and as a Retrenchment Committee is going to sit, I think they will be able to find out ways and means for reduction of the amount of expenditure that will be incurred by a reduction of the salt tax. With these words, Sir, and without further tiring the patience of the House, I beg to move the amendment which stands in my name.

The Honourable Sir George Schuster (Finance Member): Sir, the Honourable the Mover and I are old enemies, or perhaps old friends, in this matter; and I am sure that as he has been very short in his speech, he will not expect me to be long in my reply. The House, Sir, is fully aware of the important part which salt revenue plays in our total revenue, and my Honourable friend's amendment would mean a loss of some 3 crores. That, I fear, we cannot face today. But in making my reply on this occasion, I have perhaps a little more than usual to say, for I do think that the Government can claim that, so far as the exigencies of revenue permit, we have done our best to meet the wishes of the public in regard to our salt policy. On the one hand, as part of that settlement which has been referred to with so much appreciation in this House on several occasions, steps have been taken to give to the very poorest classes of the community who live in the neighbourhood of salt deposits the opportunity to collect salt for their own consumption without any payment at all. I am sure my Honourable friend will appreciate that that at least is an important move in the direction which he advocates. On the other hand, we have tried to give effect to what we understand to be the public desire for a policy to make India self-supporting in the matter of salt, and there the Bill which I introduced in this House a few days ago represents the first step in that direction. Therefore, I hope my Honourable friend who moved this amendment and all those who have spoken with great feeling on the subject in the House in the past will feel that at least their efforts have not been in vain, and that the policy of the Government of the country is gradually moving in the direction which they desire. I fear, Sir, however, that that is as far as we can go at present, and I must oppose my Honourable friend's motion.

Mr. President: The question is:

"That in clause 2 for the words 'one rupee and four annas' the words 'eight annas' be substituted."

The motion was negatived.

Mr. Amar Nath Dutt: Sir, failing in my attempt to effect a reduction to the extent which my first amendment refers to, I would like to move the next amendment which stands in my name—and herein I think I will

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have more support, at least from this side of the House, than I had when moving my last amendment. Sir, I move:

"That in clause 2 for the words 'one rupee and four annas' the words 'twelve annas' be substituted."

Now, Sir, I gratefully acknowledge the concessions that have been made by the Honourable the Finance Member and his Government for manufacturing salt for personal use, but at the same time I do not share the same views about the Bill which he introduced and by which he wants to deter us from moving our amendments. There will be occasion to criticize the Bill further; all that I can say at the present moment is that I have received lots of telegrams numbering nearly one hundred from various parts of Bengal about the proposed Bill. So, Sir, Honourable

Members of this House, I hope, will not be misled by the introduction of a Bill which would mean an additional rise of the price of salt, at least in Bengal. I beg to submit that I will have the support of the Members on this side at least if not of the Honourable Members on the Treasury Benches on this amendment. I beg to move it, Sir, without any further words.

The Honourable Sir George Schuster: Sir, I am afraid, I must still oppose my Honourable friend.

Mr. President: The question is:

"That in clause 2 for the words 'one rupee and four annas' the words 'twelve annas' be substituted."

The motion was negatived.

Mr. Amar Nath Dutt: Like an importunate beggar, Sir, I stand up again for the reduction of the salt duty for the benefit of the poor of this country. My next amendment runs as follows:

"That in clause 2 for the words 'one rupee and four annas' the words 'one rupee' be substituted."

Again, I wish to remind the Honourable Members on this side of the House, as also Honourable Members on the opposite side, that I am only asking for a little concession. It is a very small amount and I hope I will not be disappointed this time, having regard to the fact that salt ought to be free like the air and water in this world.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, I have great sympathy with what my Honourable friend, Mr. Amar Nath Dutt, has said on this question. But for the fact that we are passing through very bad times, I should have certainly come forward to support him. Considering however the fact that we are working at a huge deficit, a deficit of more than 15½ crores of rupees, I would earnestly request him not to press this motion. The country is not going to be taxed with any additional taxation on salt and this is not the proper time to have the prevailing rate reduced. The implication of this clause in the Finance Bill is that we only authorise the Governor General in

Council to continue the present rate. No new tax is to be imposed and the present rate is to continue for one year more. Next year, if conditions improve, we shall certainly try our best to reduce the tax on salt.

The Honourable Sir George Schuster: Sir, I must congratulate my Honourable friend, the Mover, on his importunity, but I am afraid I cannot be influenced by him.

Mr. President: The question is:

"That in clause 2 for the words 'one rupee and four annas' the words 'one rupee' be substituted."

The motion was negatived.

Clause 2 was added to the Bill.

Mr. President: The question is:

"That clause 3 stand part of the Bill."

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, as a matter of procedure, I would like to submit to you that clause 3 relates to certain amendments which are embodied in Schedule I to the Bill, I would therefore submit that, to facilitate the procedure, it would be better if you take up Schedule I now, and then take up all the amendments relating to Schedule I. After adopting Schedule I as amended, you can take up clause 3.

Sir Lancelot Graham (Secretary, Legislative Department): I do not think, Sir, it really matters much; it is a matter for the convenience of the House—I think a similar question was raised last year—I forget what the decision then was—and it was ruled that as long as it is held that passing of the clause does not amount to passing Schedule as it stands, it really does not make much difference. It is entirely for the convenience of the House and I have no objection to the course proposed.

Mr. President: It appears to me that if the Schedule, which is referred to in this clause, is proposed to be amended, it will be a better procedure—I have looked up the procedure adopted on different occasions in the past—if we took the clause after the Schedule has been disposed of. There is a distinct advantage in adopting that procedure as the House will be able to discuss the Schedule in detail before they are called upon to give sanction to the clause as it stands in the Bill. We will therefore adopt that procedure.

Mr. R. K. Shanmukham Chetty: The question for consideration, then, now is that Schedule I stand part of the Bill.

Mr. President: I am just looking up the amendments before I put that motion.

The question is:

"That Schedule I stand part of the Bill."

Khan Bahadur Haji Wajihuddin (Cities of the United Provinces: Muhammadan Urban): Sir, I do not wish to move the amendment* standing in my name.

Mr. M. Maswood Ahmad: Sir, I do not wish to move the amendment† standing in my name.

Mr. President: Mr. B. Sitaramaraju.

Sir Lancelot Graham: On a point of order, Sir, before the Honourable Member is allowed to move his amendment, I wish to bring to your notice that his is an amendment which raises the taxation proposed in the Bill. There have been many definite rulings on this point. Your predecessor, Sir Frederic Whyte—I think it was in the year 1923—on more than one occasion said that he could not allow the House to debate on any amendments which increased taxation. On one occasion he said that he might

*“In Schedule I to the Bill for the proposed amendment No. 2 the following be substituted :

“2. For item No. 34 the following shall be substituted, namely :

			Rs. a.
‘ 34	Sugar, excluding confectionery (<i>see</i> No. 124)—		
	(1) Sugar, crystallised or soft 23 Dutch Standard and above.	Cwt.	6 0
	(2) Sugar, crystallised or soft inferior to 23 Dutch Standard but not inferior to 8 Dutch Standard.	Cwt.	5 8
	(3) Sugar, below 8 Dutch Standard and sugar candy.	<i>Ad valorem.</i>	25 per cent. <i>plus</i> two rupees and twelve annas per cwt.
	(4) Molasses	<i>Ad valorem.</i>	25 per cent.’”

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	(3) Sugar, below 8 Dutch Standard and sugar candy.	<i>Ad valorem.</i>	25 per cent. <i>plus</i> one rupee and eight annas per cwt.
	(4) Molasses	<i>Ad valorem.</i>	25 per cent.’”

allow an amendment to be discussed if Government would move on the same subject an amendment which would provide an alternative. But he definitely ruled that he would on no occasion allow amendments increasing taxation. If you, Sir, also hold the same view and stick to the procedure laid down by your predecessor, then I do not see how this amendment can be moved.

Mr. B. Sitaramaraju (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): Sir, I do realise that under the rulings I cannot move the amendment* which stands in my name without the permission of His Excellency the Viceroy. I received a communication that I have not got the permission. So I do not move it.

Seth Haji Abdoola Haroon (Sind: Muhammadan Rural): I beg to move :

“In Schedule I to the Bill in Item 34 of the proposed amendment No. 2 for the figures and words ‘25 per cent. *plus* two rupees and twelve annas’, the figures and words ‘25 per cent. *plus* one rupee and eight annas’ be substituted.”

In moving this amendment, I only want to say a few words. Although Honourable Members know very well that sugar has been taxed more than 150 per cent. today, the value of sugar received in India *c. i. f.* is hardly Rs. 4-12-0 per cwt., whereas this new duty will make it Rs. 7-4-0 per cwt. Although I find that the sugar duty is so heavy, especially on the exports, yet like some of my Honourable friends, I do not object to that duty considering India's economic position. I do not object to the duty of Rs. 7-4-0 per cwt., on account of the fact that in the latest Report of the Tariff Board, they have actually showed that India cannot produce more sugar unless she is protected by some sort of tariff wall. We also know that all over the world, they are protecting their indigenous industries by tariff walls. With this end in view, I want to reduce the duty from Rs. 2-12-0 per cwt. to Rs. 1-8-0, because that would give protection for making sugar in India. Without protection, India will not be able to produce sugar as much as she requires for her own consumption. This item means that on raw sugar there will be an *ad valorem* duty of 25 per cent. *plus* Rs. 2-12-0, which I want to be reduced to Rs. 1-8-0, *plus* 25 per cent. I want that raw sugar must come to India at present for at least one, two or three years, so that the refining industry might thrive, so that the sugar might be improved in India and also to enable India to produce as much sugar as she wants

*“In Schedule I to the Bill for the proposed amendment No. 2 the following be substituted :

“2. For Item No. 34, the following shall be substituted, namely :

			Rs. a.
‘ 34	(1) Sugar, crystallised or soft 23 Dutch Standard and above.	Cwt.	7 8
	(2) Sugar, crystallised or soft inferior to 23 Dutch Standard but not inferior to 8 Dutch Standard.	Cwt.	7 0
	(3) Sugar, below 8 Dutch Standard and sugar candy.	<i>Ad valorem.</i>	25 per cent. <i>plus</i> three rupees per cwt.
	(4) Molasses	<i>Ad valorem.</i>	25 per cent.’”

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[21st Mar. 1931.]

[Seth Haji Abdoola Haroon.]

for her consumption. I want to draw the attention of the Honourable the Finance Member to the instance of England. I will not go to other countries for citing examples. In England also there was a different kind of duty on raw and refined sugar. Since the last two or three years, they have reduced the duty on raw sugar; therefore England has established her refining industry better than previously. Previously England used to import refined sugar; whereas within the last three years, England, having got the protection, has ceased to import refined sugar. She imports raw sugar and gets it refined in her own country. At present there are some factories in India which are producing sugar from Indian products. I want that until India can establish new machinery for producing refined sugar, until that time, she requires protection. I want in this way to give a little more life to the factories that are in existence and also for some others who want to establish refineries in India. This will enable the people here to import raw sugar from other countries and refine it here for Indian consumption. I know that if the Government of India had taken a little more care some few years back, India would have by this time been in a position to produce all the sugar required for her consumption. But on account of the increased duty imposed by the Government of India and some other natural causes, the Government having jumped on sugar and they have got a fairly large amount, namely 10½ crores as income only last year. By this not only the sugar industry is getting some benefit, but some relief is obtained in the cultivation of sugar-cane in India. I admit on the floor of this House that had not this duty been raised within the last few years, then probably today India might have had to stop the cultivation of sugar-cane. For some reason or other these duties have been put upon it and I, for my part, though I am dealing in sugar, do not object to the imposition of this duty, considering India's economic position. What I want is that this refining industry should be well established in India, so that we can import raw sugar from different countries at cheap rates and then with some sort of labour we can refine it and thus the refining industry will flourish in India. We can get plenty of raw sugar from the different parts of the world. England is not only able to manufacture refined sugar from the raw sugar that she imports, but she is also able to manufacture in sufficient quantities so as to meet her own requirements as well as export to other countries to the extent of about 2 million tons.

With these few words, I ask this side of the House to support my amendment.

The Honourable Sir George Schuster: Sir, I think my Honourable friend the Mover and I are really at cross-purposes in this matter. I am proposing certain alterations in duty for revenue purposes in the Finance Bill, and my Honourable friend has taken the occasion to put up a case for the protection of sugar refining in India. Pending a consideration of the Tariff Board's Report we are this year adopting the simple procedure of adding the same duty to all the three grades of sugar that are separately classified in the Schedule, and I would ask my Honourable friend to accept that as a proposal made merely for revenue purposes which does not commit Government in any way to a final policy when the protection of any part of the sugar industry comes under consideration. Sir, from the point of view of a revenue measure we felt that it

was essential not to introduce any protective elements or to guide our policy by that sort of consideration, and on these grounds I must oppose my Honourable friend's amendment.

(At this stage Mr. K. P. Thampan rose to speak.)

Mr. President: The Honourable Member cannot address the House now. I waited for some time to give Honourable Members an opportunity of addressing the House before I called upon the Honourable the Finance Member to reply, but no one rose in his seat to do so.

The question is:

"That in Schedule I to the Bill in Item No. 34 of the proposed amendment No. 2, for the figures and words '25 per cent. *plus* two rupees and twelve annas' the figures and words '25 per cent. *plus* one rupee and eight annas' be substituted."

The motion was negatived.

Khan Bahadur Haji Wajihuddin: Sir, I beg to move:

"That in Schedule I to the Bill the proposed amendment No. 4 be omitted."

The object of my amendment is quite clear. I think the rate of duty on silver, which is already fixed at 4 annas, is more than justified for the simple reason that silver is largely used in India by the poorest of the poor, and to increase it now to six annas as proposed in the said Act at this critical moment in the history of India will be felt very much by the masses. I therefore ask the Honourable Members to accept my amendment.

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput; Non-Muhammadan Rural): Sir, it is very difficult to follow the motion. What is amendment No. 4?

Mr. President: If the Honourable Member turns to page 4 of the Finance Bill, he will find under Schedule I item No. 4 which says that for the words "Four annas" in the fourth column of item No. 43 BB in Schedule II of the Indian Tariff Act, 1894, the words "Six annas" shall be substituted. The Honourable Member wishes to delete that and retain it at four annas. The House is now possessed of the amendment of Khan Bahadur Haji Wajihuddin that in Schedule I of the Bill the proposed amendment No. 4 be omitted.

The Honourable Sir George Schuster: Sir, the question of the imposition of an import duty on silver is one which was very fully argued in the course of the debate on last year's Finance Bill. I take it from the silence with which this amendment has been received, that Honourable Members opposite have been convinced by the arguments which I then put forward, and in view of the great amount of business which the House has now to transact. I do not propose to repeat those arguments. I would merely say this that we consider that the duty which we imposed last year has answered its purpose most admirably both as a revenue producer and as a measure which has done something to stabilise the internal value of silver in India. We do not consider that there has been any evidence that it had any effect on world-prices, and the fears expressed this year that a further increase of that duty might affect world-prices do not seem in practice to have been justified; because almost from the

[Sir George Schuster.]

very day on which our proposals were announced, a marked strength was displayed in the silver market, and the price has risen considerably. I therefore without any further argument oppose this amendment.

Mr. President: The question is:

"That in Schedule I to the Bill the proposed amendment No. 4 be omitted."

The motion was negatived.

Mr. S. C. Shahani (Sind: Non-Muhammadan Rural): Sir, I beg to propose my amendment that the duty on silver be not raised from 4 annas to 6 annas.

Mr. President: The Honourable Member's amendment No. 25* has been disposed of. The amendment that he can now move is the one proposing to substitute for the words "Six annas" the words "Four annas and one pie".

The Honourable Sir George Schuster: Sir, before my Honourable friend moves his amendment might I be permitted to make an appeal to him in the general interests of the House not to ask the House to discuss this amendment? The original amendment was to substitute a duty of four annas for the duty of six annas which we propose. The House has not accepted that proposal and I suggest that to discuss now whether the duty should be four annas and one pie is almost tantamount to putting a frivolous proposition before the House. I hope my Honourable friend in the general interests would agree not to move this.

Mr. President: I will draw the Honourable the Finance Member's attention to the fact that he has deliberately given notice of two amendments. One is that the present rate of duty of four annas should be retained and the other is that if that amendment fails he will move that the duty should be four annas and one pie. I will leave it to the Honourable Member to decide whether, having regard to the views that appear to prevail in the House, he still wishes to move it.

Mr. S. C. Shahani: Yes, Sir. I will move my alternative amendment which is:

"That in Schedule I to the Bill in the proposed amendment No. 4 for the words 'Six annas' the words 'Four annas and one pie' be substituted."

I propose a nominal increase in the duty on silver; and my reasons for so doing are that a 50 per cent. increase will further depreciate the price of silver in the world markets because of India's inability to buy, and will so affect adversely the real wealth of the people of India held in silver. It has been said by the Honourable the Finance Member that possibly the proposed increase of the duty on silver to annas six per oz. might check the consumption of silver in India. I feel it is bound to check the consumption of silver in India, and further weaken the price of silver to the disadvantage of India and the whole world. 100 to 110

*"In Schedule I to the Bill the proposed amendment No. 4 be omitted."

million ounces, it is expected by the Honourable the Finance Member, will be consumed during 1930-31. He thinks that this normal quantity in the case of India will be consumed in 1931-32 despite the proposed increase of duty. But I say that the conditions have greatly worsened in India, and the agriculturist will be unable to meet his ordinary expenses and much less will he be able to purchase silver. The currency of India has contracted and silver cannot be purchased in preference to the articles of necessity. With the prices falling, there is bound to be a depression in trade, and I must request Honourable Members to note that the clearance of the silver stocks both by Government and the people will be made more than ever difficult and a losing concern by such an increase, six annas in lieu of four annas, in the duty on silver. With these remarks, I beg to move my amendment.

The Honourable Sir George Schuster: Sir, I have already dealt fully with what I consider to be in substance an identical amendment and I do not propose to say any more to the House on the subject.

Mr. President: The question is:

"That in Schedule I to the Bill in the proposed amendment No. 4, for the words 'Six annas' the words 'Four annas and one pie' be substituted."

The motion was negatived.

Mr. S. C. Shahani: As regards the next amendment (No. 26).

The Honourable Sir George Rainy: I would submit, Sir, that this amendment is really supplemental to No. 27. The latter seeks to omit the new provision inserted by the Bill, while the other, as a consequence seeks to reinsert the existing entry.

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): But there is another amendment No. 27. Amendments Nos. 26 and 27 ought to be taken together.

The Honourable Sir George Rainy: It is merely a matter of convenience, but the substantive amendment really is the one which proposes to omit item No. 7 from Schedule I to the Bill.

Mr. R. K. Shanmukham Chetty: The proposal of the Government is to omit the item relating to spices which in the Indian Tariff Act is now included in the 15 per cent. schedule. The Government want to transfer it to the 30 per cent. schedule. My friend, Mr. Shahani, wants that the item relating to spices should be taken back and placed in the 15 per cent. schedule.

Mr. President: The effect of this amendment is that the Honourable Member desires that it should be retained in the 15 per cent. schedule.

Mr. R. K. Shanmukham Chetty: Quite so.

Mr. S. C. Shahani: I beg to move my amendment:

"In Schedule I to the Bill the proposed amendment No. 5 be omitted."

[Mr. S. C. Shahani.]

I want in connection with this to say just a word in order that Honourable Members may realise what it is to increase the duty on spices. I am an agriculturist. I know how agriculturists live in this country. I have seen them having *sattoo* or baked rice with a solution of water and pepper and salt: I have seen them chew dry gram with the same solution and I have seen people eating bajri bread with whey in which a little pepper and salt have been put. I wonder if anybody who knows this condition of things have the heart to propose an increase of duty on spices. Any revenue that might arise from such an increase should be secured by retrenchment in the extravagant expenditure of the Government. With these remarks, I beg to move my amendment.

The Honourable Sir George Schuster: Sir, I think my Honourable friend's speech has really been directed to support both his amendments Nos. 26* and 27†. He has dealt both with removing these articles from one part of the Schedule and with putting them into another. I think therefore that it will be convenient that his speech should be treated as having dealt with both those amendments. In answer to his argument I have only this to say, that the Government's proposals as regards increased Customs duties this year were made on a comprehensive basis, that we adopted this principle of putting surcharges on a very large number of items and that we saw no reason for making an exception of this particular small item. I do not believe that the increased cost of articles of this kind is going to operate as a serious hardship on the consumer, and the arguments which my Honourable friend has used are of course in essence applicable to almost every item of increased taxation. I do not think he has suggested anything which sounds in the least convincing to my mind, that any particular injustice is being done in this particular case. On these grounds I must oppose his amendment.

Mr. President: The question is:

"In Schedule I to the Bill, the proposed amendment No. 5 be omitted."

The motion was negatived.

Mr. S. C. Shahani: I beg to move amendment No. 28:

"In Schedule I to the Bill the proposed amendment No. 9 be omitted."

My reason for moving this is as follows. Betelnuts are the only article of luxury or to be more accurate, one of the very few articles of luxury, which the poor man can command, and a cent per cent. increase on this poor man's article of luxury, from 15 per cent. *ad valorem* to 30 per cent. *ad valorem* is therefore altogether uncalled for, and accordingly I move this amendment.

Mr. S. G. Jog (Berar Representative): I rise, Sir, to agree with my friend Mr. Shahani, but on different grounds. Betelnut is not an article of luxury. Whenever we invite friends, as a matter of ordinary courtesy we offer a piece of betelnut; and if this Government have gone so low as to charge this article, I think it is quite unfair. This is an article which

every one, poor as well as rich, has to offer as an ordinary item of courtesy to guests, friends and others whenever they come to our houses; and if the Treasury Benches want that we should not treat our friends and relations, I have got nothing to say. I have already charged the Government Benches with extravagance and many other things and the tone of their Budget, but now I find that the tone of the Budget has gone beyond the bounds of decency also. I do not think it is either decent or safe to charge betelnut with any duty, and I therefore oppose the proposal.

Mr. T. N. Ramakrishna Reddi (Madras ceded districts and Chittoor: Non-Muhammadan Rural): Sir, I beg to support the amendment proposed by my friend Mr. Shahani. Sir, as my Honourable friend just said, betelnut is the only article of luxury of poor people. In the whole of India betelnut is the only article of luxury of the poor man. After a hard day's toil he relieves himself by chewing a small piece of betelnut, and so if the tax is levied as proposed, it will hit the poor man very much. Of course, betelnut is also used by the middle and upper classes at the time of marriages and other ceremonial occasions, because on such occasions betelnut is the very first article that is offered to friends, guests and relatives. So betelnut is such an important commodity throughout the length and breadth of India that a tax on it should not be levied.

Now, Sir, taking the statistics, I find that the import of betelnut is about one million 475 thousand cwts. and the value of it comes very nearly to Rs. 2½ crores. Out of this total import of betelnut, we import 120,000 and odd cwts. from Ceylon. The duty besides, hitting hard the consumer, will have a paralysing effect upon our trade relations with Ceylon. After all, the Government have to raise about 23 lakhs from this import duty but I submit that in view of the hardship which will be caused to the poorer classes in particular, not to speak of the hardship to the upper and middle classes, I think this tax should not be levied. I therefore heartily support this amendment.

Mr. M. Maswood Ahmad: Sir, I oppose this amendment. The use of betelnuts is nothing but a luxury. At the same time, Sir, it is injurious to heart and also to teeth. I think it is high time that we gave up all our formalities and since we Indians are poor we must give up all these luxuries. For these reasons, Sir, I oppose this amendment.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I am surprised that my friend Mr. Maswood Ahmad, who represents also the constituency that I represent here, says that betelnut is injurious to the human constitution and also harmful to the teeth. I know its efficacy, and if Indians possess beautiful teeth, it is due to their chewing betelnuts. In my constituency the people are so poor that they buy with the greatest difficulty only the cheapest kind of betelnut. The Honourable the Finance Member knows that the price of betelnut varies from 4 annas a seer to Rs. 3 a seer in some cities like Bombay, and though the betelnut imported to Calcutta is of a better quality, still only a very inferior kind of betelnut goes to some places in the eastern parts of India. The Honourable Member taxing betelnut would mean that he would be depriving the poorest of the poor of a certain amount of his daily necessity, which is not only useful to him from a hygienic point of view; but I think the poor people buy a

*26. In Schedule I to the Bill the proposed amendment No. 5 be omitted.

†27. In Schedule I to the Bill the proposed amendment No. 7 be omitted."

[Mr. B. Das.]

pie's worth of betelnut for chewing the whole day so that they can save themselves from the gnawing hunger, and so I would never like that the Finance Member should tax the poor man in this way, and if he will consult his Central Board of Revenue Department, he will know that even betelnuts which are rejected by merchants and people abroad are imported in large quantities in India so that the poor people can consume them. So, Sir, if it is a tax on the middle and the upper classes, one would not mind it so much, but it is going to affect the poorest of the poor, and for that reason I oppose this tax.

Mr. K. P. Thampan: Sir, I regret I am unable to say definitely whether this commodity the betelnuts should come under the category of luxuries or as a very necessary article used at the reception of guests in our houses or at marriage or other ceremonial occasions or as one of the essential necessities of life for the poor and the rich. I don't chew betelnuts, nor do I offer them to my guests. Sir, I oppose this amendment on quite a different ground and from a different view point. Perhaps, this House is not aware that I am coming from a constituency which supplies more than 78 per cent. of the betelnuts required in this country, I mean Malabar, South Canara and Nilgiris. Already in these districts the betelnut cultivators are finding it exceedingly difficult to dispose of their produce. The prices have fallen very considerably, and large stocks of betelnuts are lying in the godowns. The only country which competes with my district in betelnuts is Ceylon. The cultivators are unable to cope with this competition and do need some protection. So, Sir, if the House was justified in raising the duty on sugar as a kind of protection to indigenous industries, it will equally justify the imposition of an increased import duty on betelnuts also. It will help the agriculturist very much, because this kind of duty will enable them to dispose at a higher or more favourable rate of their stock of betelnuts. And, Sir, if this protection is continued, on behalf of my constituents I undertake to extend the cultivation of betelnuts and try to supply the whole demand of the country. So, Sir, I welcome the imposition of the increase in the import duty, and I strongly oppose this amendment.

Mr. B. R. Puri (West Punjab: Non-Muhammadan): Sir, I was not aware until I heard my Honourable friend Mr. Maswood Ahmad that the Honourable the Finance Member had such great solicitude for the improvement of the health of the people of this country that he has been actuated only on medical grounds to impose this taxation on betelnuts. Well, we are very thankful for such mercies that come from the Treasury Benches, but, Sir, whether our teeth are going to improve or not by this taxation, we are bound to suffer in our health from the mere shock of a tax of this character. If the Government proceeds with their programme of taxation on these lines I think before long we might expect to hear that a tax has been imposed upon ordinary drinking water. I hope Government realise that it is time that further taxation in this direction was stopped. Sir, betelnut is not a luxury, but it may be a luxury in a sense, it is a poor man's luxury, and I think any tax imposed whereby the poor people are hit either directly or indirectly would be an imposition which I trust this House will not permit.

Mr. R. K. Shanmukham Chetty: Sir, before the Honourable the Finance Member replies to this debate, I would request him to give us some information on one point. I see that he wants to increase the import duty on betelnuts from 15 to 30 per cent. and he estimates that the additional yield of revenue by this increase will be 23 lakhs. Now, Sir, I would like to know from my Honourable friend what exactly is the total value of betelnuts imported into India, and what is the proportion of imported betelnuts to the home produce. That will enable us to estimate whether the imposition of this additional duty will seriously affect the prices, because I submit that if the volume of import is little as compared to the home product, the price may not be affected and the consumer may not suffer. As my friend Mr. Thampan pointed out, betelnuts are grown very extensively in certain parts of South India, and betelnuts also in common with other commodities have fallen very considerably in price. The fall in the price of betelnuts has therefore affected one class of agricultural population. So, if this duty will give some relief to the agriculturists who cultivate betelnuts, then it can be justified on the same ground on which my Honourable friends want an import duty, for instance, on wheat. I wish that my Honourable friend the Finance Member had given some more information on this point. I am sure that if he is able to give us the information, some of my friends on this side may be willing to revise their opinions. I hope he will tell us also from which country most of the imported betelnuts come.

The Honourable Sir George Schuster: With regard to the question that has just been put by my Honourable friend, I must ask him to give me a little time to give him the information which he wants. I did not expect that this particular amendment would be reached this morning. I have not got the detailed figures with me. We have rather upset the order in which we thought the amendments would be taken, but I will get my Honourable friend the information. I have got some information with me, but I have not got the information relating to local production, and I should like to give my Honourable friend a complete answer. I would, however, say in answer to his general argument, that as he puts the case, at least somebody is going to be benefited. If there is an import duty, the local production, which my Honourable friend Mr. Thampan says is in need of protection, will be benefited. On the other hand, if the local industry is not benefited, if the price does not rise, then, we shall get for the public revenue a substantial addition without doing anybody any harm at all. In fact we shall make the foreigner pay. So that, on the lines that my Honourable friend has suggested, this must be in every circumstance a most excellent tax.

Turning to the arguments that we have heard from the other speakers, I think I may say that they have almost neutralised each other. I think we had four speakers on one side for the amendment, and two speakers against it, but I propose myself to class the Mover of the amendment as being with me, because he has really in the substance of his remarks given away his case, for he himself said that the article is a luxury—"A poor man's luxury" it is true, but still a luxury. And in this year, when we have to look everywhere for revenue, I think there is very strong justification for taxing any form of luxury, even though it might happen to be a luxury which certain people in the poorer classes enjoy.

[Sir George Schuster.]

Generally, Sir, on the merits, I find that this particular tax is well placed in the whole scheme that we have proposed. I do not believe that it will be severely felt. It is expected to produce quite a substantial revenue, and fully realising as I do that all forms of taxation are intrinsically undesirable, I cannot feel that this is more undesirable than any other that we have produced. Some speakers have spoken as though this were an entire innovation. My Honourable friend Mr. Jog said that he was shocked to see that the Government should have sunk so low as to tax an article of this kind. But, is he aware that the taxation of betelnuts has been a weapon in our armoury of taxation for very many years? All that we are doing now is to say that we think that this particular article can afford a slightly heavier tax than it has hitherto borne. I think that is a very good illustration of the type of argument to which we have listened, and I remain unshaken in my faith that this is an extremely appropriate tax to be included in the general programme that we have submitted to the House. I only hope that it will do some good to the producers of betelnuts and thus help an agricultural industry of this country, though I must confess that that was not my primary object in including the proposal in my Budget plan. Sir, I must oppose the amendment.

Mr. President: The question is:

"In Schedule I to the Bill the proposed amendment No. 9 be omitted."

The motion was negatived.

Schedule I was added to the Bill.

Clause 3 was added to the Bill.

Mr. President: The question is that Schedule II stand part of the Bill.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhamadan Rural): Sir, I move:

"In Schedule II to the Bill the following item be omitted:

'40 Kerosene: also any other mineral oil included in item 9 pies per imperial gallon'."

Sir, I believe that it will require no speech from me to convince the House that the poorer people in this country are not in a position to bear any taxation, direct or indirect, on the bare necessities of life. I know there was some contention just a minute ago, as to whether betel nut is a necessity of life or a luxury. But I do not think that anybody will doubt that kerosene oil is a necessity, at least for the poorer classes in this country. Sir, Government are very anxious to meet their Budget deficit. Whatever the reasons for this deficit Budget, there is certainly a deficit in the budget of individual Indians, and particularly, of poorer classes, and so, I think that the Government should be solicitous at least about the poorer classes. Especially when their produce is getting such a low price in the market, how can the poorer people meet their budget and at the same time be expected to pay the additional taxes? I hope that the Honourable the Finance Member will spare them at least in these

stringent and hard times. I am thankful to the Honourable Member for his scheme of additional taxation, because, whatever differences we may have on other matters, at least he has tried to spare the poorest classes of Indians as much as possible. But I think he will agree with me that this is one item where it will really affect even the poorest men. It must be admitted that the price of kerosene oil is really fixed on the basis of the cost of imported oil. We have already found that as soon as this additional taxation on imported kerosene was announced, the price went up, and I think that, if we raise the import duty by three pies a gallon, which means six annas per tin, the price in the wholesale market will also increase to that extent. It is not unknown to our people that really kerosene is the producer's monopoly in the sense that, though in India we produce some oil in Burma, the Burma Petroleum Company do not care for their cost of production in fixing the price, but they generally go by the cost price that is fixed on the basis of the price of the imported kerosene. Sir, I think that it will not be contested at all that the rise in price owing to the imported oil will certainly affect the poorest people who cannot bear any fresh taxation, particularly on the necessities of life.

Going through the Budget figures, I find that this is only a matter of Rs. 43 lakhs, and when the Honourable the Finance Member is willing to try his best to curtail his Budget, I hope that he will spare at least the poorer classes this Rs. 43 lakhs, which in a Budget of Rs. 135 crores is really nothing. If he is at all serious in his desire to help the poor classes in this country, I hope that he will not oppose my motion for doing away with this import duty.

Mr. C. C. Biswas: I suppose, it is not quite correct to say that if this increase is struck out, the loss to revenue will be 43 lakhs of 1 P.M. rupees only, because this will involve the omission of the increase in the excise duties as well. 43 lakhs comes from the proposed increase in the import duty and 52 lakhs comes from the proposed increase in excise duty; so the total loss will be 95 lakhs. I do not quite understand my friend. If you retain the import duty as it is, I think, you must retain the excise duty also as it is. I take it that if you omit the 43 lakhs, you have got to surrender 52 lakhs on the other head as well.

Mr. R. K. Shanmukham Chetty: I want to clear up a point which my Honourable friend the last speaker has raised. As I explained at an earlier stage of the Finance Bill, the present position is that kerosene oil pays an import duty of 2 annas 3 pies per gallon and the corresponding excise duty is only 1 anna 6 pies per gallon. Therefore there is a margin of 9 pies per gallon in favour of the home producer. The proposal of the Honourable the Finance Member is to increase the excise and import by 9 pies each. The result of that would be that the import duty will be 3 annas and the excise will be 2 annas 3 pies, still retaining the difference of 9 pies between the excise and the import duty. Whether there is any justification for maintaining this difference, we might consider when we take up the clause relating to increase in the excise duty. What we have to consider on the motion of my Honourable friend Mr. Mitra is this. Are we prepared to increase the price of kerosene oil to the consumer by 9 pies per gallon, because if the import duty is increased by 9 pies per gallon, the price will automatically go up by that figure as it has already done, and I am sure there cannot be any difference of opinion amongst Honourable Members—on this side of

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[Mr. R. K. Shanmukham Chetty.]

the House at any rate—that we cannot be parties to any scheme of taxation which will increase the price of such a necessary article as kerosene oil from the point of view of the poor consumer. The effect of carrying my Honourable friend Mr. Mitra's amendment will be to leave the import duty at 2 annas 3 pies as it is at present and when clause 8 relating to excise duty is taken up we shall then consider whether a case is made out or has been made out for retaining any difference of margin between excise and the import duty. I maintain that even if we agree to the proposal of my Honourable friend the Finance Member to raise the excise duty we will not affect the consumer, because the price of kerosene oil is fixed not on the basis of the cost of production to the home producer, but on the basis of what it cost the American Oil Company to bring the oil to India. I want my Honourable friends to be quite clear in their minds that the only way of protecting the interests of the consumer is to vote for the amendment of Mr. Mitra and I do hope that every non-official Member will vote for it.

Diwan Bahadur T. Rangachariar: I would suggest for the convenience of the House that the two questions are interdependent from my point of view. Whether you should retain this difference between the imported oil and the indigenous oil is a matter of vital principle to be considered from several points of view. By taking a partial vote now by declining the proposed increase on the import side, my Honourable friend Mr. Shanmukham Chetty suggests that may be taken up and we can vote definitely. When the question of the excise duty comes up, my friend suggests, from his line of reasoning, that the increase in the excise duty may be accepted, so that his idea is to abolish the distinction that exists between the indigenous oil and the imported oil. There is a great deal to be said in favour of both points of view. On the one hand this difference has existed for over 25 years, for some reason or other. I do not know exactly why this difference has been retained and that is a question which has not been investigated. The question acquires added importance on this occasion, because seeing the discussions last year in this House, at which I was not present, I find that a great deal of feeling was exhibited and the question was gone into as to whether profits were made by the British company which runs an oil concern in Burma and whether they are paying enormous dividends. This private company, which is entirely European, is making this huge profit of 50 to 52 lakhs. Instead of going to the consumer, it goes to the pocket of the company which is not Indian, which has paid for itself 4 or 5 times over in the shape of bonus profits. Various arguments were put forward. I quite recognise the force of those arguments. At the same time this is a very vital matter for us to consider. I know that the cry will be at once raised, "Here is an Assembly which is prepared to take away a benefit which has been enjoyed by an English company for over 25 years". Already as you know, there are cries for safeguards and the cry for safeguards will be accentuated by quoting this instance to the British public and it will be said, "If you transfer the responsibility to India, they are likely to use it against British interests". It may be most unjustifiable, but is this the occasion for giving cause for such an accusation to be made? We have had a very big domestic quarrel in our own party this morning and we are considering this question. Unfortunately we have not been able to come to any

conclusion. Therefore I want to make public what passed in my mind in these matters. I quite recognise that, so far as I can see, there is no justification whatever from the point of view of protection; that this difference should be retained. The only thing that people will say is that the British have acquired a prescriptive right to what is wrong and therefore you are taking away what has been enjoyed by a company. There is one other advantage which I will consider. I want Honourable Members to give careful attention to this aspect of it. The effect of removing this difference will be that the margin of difference which exists between the yellow oil and the white oil, as I will summarily call them, which comes to 8 annas, will disappear, because the Burmah Oil Company, who are the suppliers of the yellow oil to the extent of 96 million gallons, if I remember aright, will at once put up the price and they have already put it up by 6 annas in consequence of these proposals. I do not know what happens in Northern India, but in my part of the country it is the yellow oil that is consumed by the poor man. He does not use the superior oil. It is mostly the yellow oil that is used. Therefore, I am anxious—we are all anxious, and my Honourable friend, Mr. Chetty, also is anxious—that we should do something to benefit the poor consumer. We do want you to make a difference between yellow oil and white oil. By all means keep up the import duty on the white oil, but let the yellow oil be rendered cheaper. How can you render it cheaper? I understand, so far as yellow oil is concerned—I may be wrong; my Honourable friend, the Commerce Member, will correct me—that 96 million gallons are produced in the country and only 4 million are imported from abroad. If that is so, as my Honourable friend, Mr. Chetty, said a few minutes ago, the importation of a small quantity of oil is not likely to affect the prices of commodities, so that the immediate effect of adopting the course suggested by my Honourable friend—I do not know that he has made up his mind today—I want to point out the danger of adopting his advice,—will be that the price of yellow oil will be increased instead. Our object is to decrease the cost to the consumer of yellow oil but that object will be immediately defeated. What it may be when fair competition has established itself we do not know, but you cannot expect all of a sudden 4 million gallons of import to replace 96 millions of indigenous production. It will take time—this stabilization of the course of prices; it will take time to bring in more oil—assuming my Honourable friend can do so, of which I am ignorant—so that more yellow oil can be imported from abroad so as to make yellow oil cheaper by means of fair and free competition between traders in that commodity. The question is not then as easy as one might think in the first instance. There are two aspects of the question which impressed me very much. There is the political aspect, as to whether this is the right time for us to adopt a course which is likely to be the objective of abuse, namely, that the Indian Legislature takes away a 26 years' established right in favour of a British company. The second aspect is the immediate increase in the price of the oil which the poor man consumes. Our object being to reduce the price, we are giving the Burmah Oil Company, who supply the poor consumer, a direct incentive to increase the price at once and hope for a problematical reduction in the price later on, which may or may not take place. Therefore, it is a matter which has to be seriously considered, and I would therefore submit to you, Sir, that perhaps it would be more convenient for a proper appreciation of the situation that the two

[Diwan Bahadur T. Rangachariar.]

clauses may be taken together so that the House may come to a deliberate conclusion on both aspects of the question as to whether they are going to allow any increase either way. My own inclination is to vote down the increase under both heads. That will have the advantage of not interfering with the existing state of things, and the present state of things can continue till the matter is investigated. If it is a matter of removing a duty which exists and has existed so long, I should like the matter to be investigated by an expert committee like the Tariff Board. I should like the matter to be initiated by the Government instead of by us on the non-official Benches, who can only speak with imperfect information and knowledge on the subject. Therefore I would urge very strongly that the two things be considered together. The two are interdependent. You cannot catch a vote on this and say, "Very well, we have rejected the increase proposed by the Government on this"; reducing the import duty or rejecting the suggestion made by Government to increase the import duty will only affect, as I have already said, the superior oil. The superior oil will be rendered cheaper because, as I have already stated—I think I am right—the inferior oil is not imported except to the extent of 4 million gallons, whereas the whole consumption of white oil is about 120 million gallons. Therefore 120 million gallons is consumed by the upper classes, also the inferior oil is not imported; therefore, you are not benefiting the poor by rejecting the proposal made by Government to enhance the duty on the white oil; therefore you must consider it in connection with yellow oil. Sir, there are amendments by my Honourable friend, Mr. Thampan, as regards the yellow oil. How far those amendments will be accepted by the House is also a matter for consideration. So all these matters being intertwined, I think the proper course will be to consider them all together. If however, it is considered apart, my own inclination is that it will be very difficult to cast the vote, and I feel it very difficult indeed. My object is to benefit the poor consumer, and by rejecting the Government amendment I will not be benefiting the poor consumer under this head, whereas I may be benefiting the poor consumer under the other head, namely, excise duty, even if the latter is lowered, if the Burmah Oil Company can be compelled to keep down the price.

Mr. B. Das: How can you do that?

Diwan Bahadur T. Rangachariar: I would suggest how. We have done it in another matter. I have seen how the Honourable the Finance Member proposes to do it over the temporary protection Bill for salt. That was by means of a proviso, enabling the Governor General in Council to increase the excise duty in case the difference between the white oil and the yellow oil is not kept up say to the extent of one rupee at least—it was Re. 1-6-0, as I told you, before 1929 I think, that is, before 1929 the difference in price between yellow and white oil was Rs. 1-6-0. Now the Burmah Oil Company voluntarily entered into a combination with other people, foreigners, forgetting that they are trading in India and they should not have done so, whereby they have laid themselves open to the reproach that they are not serving the interests of India in the way in which they do their business; as Mr. Chetty pointed out, their price is not based upon the cost of production and reasonable profits, but upon some combination which they entered into. The country therefore has an absolute right to resent such conduct; and much of the attitude of my Honourable friends

to my right and to my left is due to this conduct on the part of the Burmah Oil Company in entering into what I may call this most foolish and if I may say so, suicidal arrangement which they entered into. If, Sir, they want to be treated as an indigenous company, if Britishers want to be treated in this country as citizens of this land, when they claim equal rights and no preferential treatment either for or against them, they must consider the interests first of the country in which they trade and not enter into an unholy combination to keep up the price of a necessary stuff in this country. Kerosene oil is a necessity for the poor in this country. Kerosene oil has supplanted the local oils, vegetable oils; it has supplanted the trade in all these things, and it has invaded the remotest homes in the interior. Therefore, it was a most suicidal, a criminal step on the part of the Burmah Oil Company to enter into this combination. Let them restore the difference between white oil and yellow oil. We as one man will come forward to support this difference which exists between white oil and yellow oil, but we are not at all satisfied that they will do it. But our benefit goes into their pockets, swells their dividends to 20 or 30 per cent. and they issue bonus shares; if so, undoubtedly the country must resent such conduct; and much of the feeling is due to the fact that my Honourable friends sitting in the Benches of the European Group are not taking a lesson from this. So, I want to be assured that the benefit will really go to the consumer. If you make a distinction between the yellow oil and the white oil, then by all means I am prepared to vote with Government on this question of the white oil. Let us increase the duty because the poor man is not going to be affected by it. So far as the white oil is concerned, my conscience allows me to vote with the Government because the man who consumes the white oil can afford the small increase. But as regards the yellow oil, I do wish to emphasise that some benefit should be given to the consumer. It is in the hands of Heathcote and Company. It is in their power to give some legal undertaking or some legal provision can be provided by the Government by means of which we can compel them to keep a difference of at least one rupee between the prices of the white oil and the yellow oil. Sir, this is a very important matter and I suggest for the consideration of the House the acceptance of the procedure I have outlined.

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.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Sir, we are agreed with the suggestions made by my Honourable friend Mr. Rangachariar that, if possible, the two clauses ought to be taken together and dealt with together. Our general position is that we are opposed to any taxation which will press hard on the poor people of this country. We do not want, as my Honourable friend Mr. Mitra put it, that the necessities of the poor man should be taxed. I also agree with my Honourable friend Mr. Rangachariar that we do not want to discriminate against any English company doing business here, at the same time, we are also at one with

[Sir Abdur Rahim.]

him that we do not like this combine with a foreign company. That is really the general position. But we are not in a position to deal finally with this clause as satisfactorily as we should like to do—that is the clause under consideration—unless we have an opportunity, at the same time to consider both the clauses together. As we are going to make substantial cuts from the proposal of the Honourable the Finance Member as regards taxation of income, we do not want to stand in his way of realising any revenues he can from Customs duties, provided any duty does not fall hard upon the poor people of this country. This is our general position. We should very much like that both the clauses should be taken and considered together.

Mr. T. N. Ramakrishna Reddi: Sir, I entirely agree with the proposal of the Leader of the Opposition and also with what has fallen from him in support of that proposition. Sir, it is good that both these proposals should be taken together at one and the same time, that is to say, the amendments on the import duty as well as on the excise duty. The effect of taking up and accepting only one amendment, that is the amendment of the Honourable member Mr. Mitra regarding import duty, would be, that there will be no increment in the import duty. Now, after granting that, if we come to the excise duty, and then if we all support an increase in the excise duty and thus make the import duty and excise duty to be at one and the same level, then one of the indigenous companies will be hard hit. Now they are having a protection of nine pies per unit and they would lose that protection now and then, there might be a rate-war between the indigenous and the foreign companies. This is not the only thing. Formerly the indigenous company, called the Burmah Oil Company, was selling what is called yellow oil at a very cheap rate. There is in the market not only the white oil, but also the yellow oil, which is inferior oil. They have practically got a monopoly of the yellow oil. When there was no excise duty and when there was only the import duty of 2 annas 6 pies per unit, the Burmah Shell Company was selling yellow oil at a rate which was lower by Rs. 1-4-0 per unit to the superior oil and thus the poor people, who generally use the yellow oil, were deriving a lot of benefit and they were having this oil at a cheaper rate. This went on till 1922 or thereabouts. About the year 1922 the Government, for revenue purposes, levied an excise duty of one anna per unit and kept the import duty at 2 annas 6 pies. Thus there was a margin of 1 anna 6 pies of protection for the indigenous company. They were no longer bound to sell this yellow oil at a cheap rate, that is at a difference of Rs. 1-4-0. They immediately raised the price of yellow oil from Rs. 2-14-0 to Rs. 3-6-0 per unit. Thus, what they lost by the excise duty, they were able to recoup by raising the price of this yellow oil. I may at once state that they have got a monopoly of yellow oil in this country and very little of yellow oil is imported even to this day, that is out of 96 millions of gallons of yellow oil which is consumed, very little over 4 million gallons is imported from abroad. Thus the effect of levying an excise duty of one anna was to increase the price of yellow oil and consequently to impose an additional burden on the consumer. Last year, the Government for the purpose of revenue again raised the excise duty from one anna to 1 anna 6 pies and lowered the import duty from 2 annas 6 pies to 2 annas 3 pies, thus bringing down the protection only to 9 pies. That is, the protection formerly afforded to Burmah Shell Company was reduced by nine pies. Then

again up went the price of yellow oil to Rs. 3-12-0 per unit. Thus, it will be seen that at series of stages, whenever there was any additional impost of excise duty, the price of yellow oil was going up, and thus the consumer, especially the poorer classes of people were hard hit. Now, that is the reason why both the amendments should be taken together. I am in full sympathy with my Honourable friend Mr. Mitra's amendment not to raise any duty on the import of oil, because whenever there is an excess of import duty, the consumer is the person who suffers. So I am in full sympathy with that. So, also I would like that there should be no additional duty of excise also so that the duties can be kept where they were before. The Government have budgeted to the extent of nearly 92 lakhs of rupees by the rise in both the excise and import duties. If the idea of the Mover of the amendment is not to levy any additional duty on the consumer, then I am at one with him and in favour of both the amendments for not raising any duty at all either for import or for excise. But when the House wants to levy only an increased excise duty and then not touch the import duty, I beg to differ. My reason is, as I pointed out, that there would be a rate war, as it were, between the importer and the local indigenous producer. And then as happens in all wars, this war would also lead to some peace after some time, and after both sides had lost some money, they would come to their senses and would agree to sell kerosene at an equal rate, which would be much higher than the pre-war rate because they would like to recoup their losses in the war by raising the price of the kerosene. And thus ultimately it is the consumer again who suffers. That is the reason why I would require that this difference between the excise and the import duty be kept up. Then, Sir, as I have already pointed out, the effect of equalising both the export and the import duty by not giving any protection to the indigenous company would be that the difference would fall again upon the consumer in the shape of a rise in the price of this yellow oil of which they have got a complete monopoly. It may be argued that if the price of this yellow oil is raised, there will be foreign companies who would like to import yellow oil. Even in world prices there is a great difference between the value of inferior oil and superior oil. I have been informed that it is somewhere about 4 annas per unit. That advantage an indigenous company can always have. Now the difference in price is about 8 annas. They can then increase the price and bring down the difference to six annas and it might not be profitable for a foreign company to import yellow oil, which is inferior oil. There also the consumer is the person to suffer. It has been said that it is not good for the people to use yellow oil because it is not conducive to the health of the people, that it has got a deleterious effect on the eyesight and therefore it would be good for the country if yellow oil were completely eliminated and white oil introduced. As a matter of fact, it is only the poor people who can purchase yellow oil. If yellow oil is completely eliminated, the poor people will have to go in for the superior oil for which they have to pay a higher price. With regard to the deleterious effects on the eyesight, I may at once say that I come from a village and I know the habits of the villagers and the poorer people. I may tell the House that they do not use this oil for more than an hour or two in the night and they do not use it in lamps having chimneys and things of that sort. Thus they can get on with this inferior oil and will save some money out of it and will not be hard-pressed. It is also said that if the difference between yellow oil and white oil is reduced, the companies who are manufacturing yellow oil might convert yellow oil into white oil and thus they

[Mr. T. N. Ramakrishna Reddi.]

can put their prices at a higher level. That is quite possible. If there is an excise duty and if there is foreign competition, the yellow oil can be conveniently converted into white oil and sold at a higher rate. Thus in whatever way you look at it it is the consumer who suffers by this rise in the excise duty and it is in the interest of the consumer, and especially of the poorer classes of persons, to have this difference of 9 pies between the excise duty and import duty.

With regard to the political aspect of equalising the duty in import as well as excise, the Leader of the Opposition has said that it is not the proper time to introduce such a measure. We are in sight of responsible government and Indian Ministers will take up this portfolio in a short time and that will be the time for the Indian Ministry to do it and this is not the opportune time to remove that duty. My object in retaining this duty is in the interest of the poorer classes of consumers because it is the poorer consumer that takes this yellow oil, and the price ought not to be raised. For these reasons I support the proposition of the Leader of the Opposition that both the excise duty and the import duty should be taken into consideration at one and the same time.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Sir, I rise to a point of explanation if you will allow me. I understand that Diwan Bahadur Rangachariar has suggested that both the import and excise duties should be taken together, which has also been corroborated by my Honourable friend to my right. I understand the House is only seized of the question of the import duty. Will you, Sir, kindly explain how the House can be seized of both the questions at the same time, so that we may know exactly where we are and how the suggestions made by both the Leaders of Parties can be carried out?

Mr. President: I think the Leader of the House rose to explain that point.

The Honourable Sir George Rainy: Mr. President, the Honourable the Mover in his speech moving the amendment laid great stress on the undesirability of taxing necessities. I do not propose to deal with that point myself, for I have no doubt my Honourable colleague the Finance Member will deal with that point when he comes to reply, and in what I have to say I propose to deal with what has fallen from some of the subsequent speakers, and in particular, what fell from my Honourable friend Mr. Chetty and the Honourable the Leader of the Opposition. My Honourable friend Mr. Chetty, both today and on a former occasion, expressed a strong opinion in favour of the equalisation of the customs and the excise duties on kerosene and that is the first proposition I propose to examine. The first point I wish to make is this. What you have before you in the Bill, as it stands, is a proposal for the levy of a temporary surcharge to be in force for one year only. Now, if you proceed by that method, you must accept the structure of the taxes as they stand and alter them only in respect of the amounts. Any radical remodelling of the structure of taxation is inappropriate when the method selected is that of a temporary surcharge. Thus for example, if this particular amendment were to be carried and if the House did not accept, as I think my Honourable friend Mr. Chetty would advise them not to accept, any proposal for the reduction of the excise duty as it stands in the Bill, the effect would be that

for one year indeed the duties would be equalised but with effect from the 1st April, 1932, the difference of 9 annas would reappear. I mention that merely to show that what has been suggested is in fact inconsistent with the method which Government have deliberately adopted of dealing with the problem in the Finance Bill. But my Honourable friend may ask, why did Government select this particular method? Why did they not on this occasion decide, instead of a temporary surcharge, on something more radical and far reaching? I will try to answer that question. I believe—I have not got the exact date in my mind at the moment—that up to last year for a very considerable time there was a difference of one anna and six pies between the excise and customs duties on kerosene, or perhaps it would be more correct to say that, at a time when there was no excise duty, the customs duty was 1 anna 6 pies. There was nothing abnormal in that state of affairs, for with very few exceptions at that time it was true of all the duties in the tariff, and therefore it is not surprising that there was a custom duty with no countervailing excise duty. At the time when an excise duty was imposed on kerosene—and I think I am right in saying that that was after the war—it was soon after the time when the customs duty on cotton piece goods had been increased without a corresponding increase in the excise duty. Therefore it was natural, when the excise duty was imposed, it should be accompanied by a corresponding increase in the customs duty. However that may be, last year Government after fully examining the question felt that there was no sufficient reason for the maintenance of the difference of 1 anna 6 pies a gallon between the two duties, and as a result of last year's Finance Bill, the difference was in fact reduced from 1 anna 6 pies to 9 pies a gallon. I draw attention to this point; the change was made on the initiative of Government, and as a result of their detailed examination of the subject. But what they felt strongly was this, that whatever the origin or whatever the justification of the difference between the rates of duty, it was not a matter which could be handled summarily and arbitrarily, but by stages, so that the interests concerned should have time to readjust themselves to the new conditions. They did not feel that in the current year, after an interval of only one year, it would be right again to take in hand this question and to abolish the remaining half of the difference. For one thing a natural opportunity seemed likely to occur when the equalisation of the rates of duty might come in another way, namely, if and when the separation of Burma was effected, then in the ordinary course and as a natural corollary the kerosene imported from Burma would, unless special provision were made to the contrary, become subject to the customs duty and not to the excise duty. Nothing that I have heard during the course of these discussions has altered my view that the matter at present ought to be left there, and I do not see how Government could accept the proposition that we ought summarily this year to take another forward step and agree to the equalisation of the duties. We have got to remember that it is not only one powerful company that is affected. Other companies are affected, whose financial position is very different, and although they are small in comparison with the Burmah Oil Company, their interests are very far from negligible, and that is another reason why Government did not think that they could proceed this year to the equalisation of the duties.

[Sir George Rainy.]

I should like to turn to what fell from the Honourable the Leader of the Opposition as regards the possibility of a lower duty on what is known as yellow oil. That yellow oil which is produced by the Indian Oil Companies, so far as I know, is of a quality which is not produced for sale anywhere else in the world. It is true that so-called inferior kerosene has in the past been imported from Borneo and other places in the East, but that is rather an inferior white oil and is of superior quality to what in India we call yellow oil. It is quite true that the yellow oil has in the past been the poor man's illuminant. But I believe during the last two or three years there has been a growing tendency to purchase white oil in preference to yellow oil, and I rather think that this change has been pretty substantial because the figures which were given to me were that, whereas two or three years ago the yellow oil might constitute 52 per cent. of the total kerosene consumed, that proportion now-a-days does not amount to much more than 37 per cent. On its merits the suggestion that yellow oil might be subjected to a lower rate of duty is an interesting one and I do not recollect that it has ever been definitely put forward on any previous occasion. One point which might be made is this: it might be argued, does the man who purchases yellow oil in fact effect any real economy? The inferiority in quality may fully counterbalance the difference in price, and he might for example be able to get the same amount of light by using a smaller quantity of white oil, or again, if he preferred he might purchase the same quantity of white oil as of yellow oil and get a better light. That is a point that requires to be taken into consideration.

But before I go further I think perhaps it might be useful if I were to say what I understand my Honourable friend, the Leader of the Opposition, contemplates. As the figures stand in the Bill, the customs duty both on white oil and on yellow oil would be 3 annas and the excise duty both on white oil and on yellow oil would be 2 annas 3 pies. What I understand my Honourable friend contemplates is something like this: that the customs duty on white oil should be 3 annas; the customs duty on yellow oil and the excise duty on white oil should be 2 annas 3 pies, and the excise duty on yellow oil should go back to the old figure of 1 anna six pies. If that is correct, so far as we have been able to

3 P.M. work out the figures, it would appear that supposing the relative consumption of yellow oil and white oil did not change, the loss of revenue might be something like 35 lakhs. But the differentiation of duty is intended to have a certain result—and my Honourable friend made it quite clear that, unless this result followed, he would not support the amendment—namely, that the price of yellow oil is to be reduced to the extent of the reduction in the duty. But if you widen the difference between the prices of yellow and of white oil from eight annas to one rupee, you cannot be sure that there will not be a swing back to yellow oil with an increased consumption of yellow oil and a diminished consumption of white oil. In that case the loss of revenue might come to 45 lakhs or even more. Now, I should be misleading the House if I were to convey the impression that Government could see their way to sacrifice revenue to that extent, even assuming that in principle they were prepared to think that something on the lines suggested by my Honourable friend would be feasible, and what it would come to would be this, that on that basis it would be necessary to raise all the figures—customs and excise duties on white oil

and on yellow oil to the extent necessary to give Government the same amount of revenue as they hope to get from the duties as they stand in the Bill. At this stage of the proceedings that would be a somewhat difficult and complicated business to achieve. But there are further difficulties, and I should like to explain what they are. In the first place, what is suggested is that we should accept the colour and the colour only as the test. No doubt, there would be wide power given to the Governor General in Council to say what the precise difference in colour was to be which would justify the assessment at the lower rate of duty. I think this is a matter which requires rather a close and careful examination. There is one thing that is quite certain, and it is this, that if in the framework of your duties, you leave a loophole through which people can crawl to evade them, they will quite rightly and properly try to discover that loophole and get through it. At present we are only concerned with the yellow oil produced in India, although I believe during the past year there has been a small importation from abroad of yellow oil specially manufactured for the Indian market. But the moment you alter the Custom duties, so that yellow oil could come in at a lower rate of duty, then I have no doubt that people would set themselves to work to manufacture that oil, and we should have to consider that possibility and how it is to be met.

In the second place, have we any guarantee that the colour would in fact be a test of quality? I cannot answer that question for I am not an expert. It is a matter which requires examination, but it might be possible to add extraneous colouring matter thereby bringing in the oil at a lower rate of duty and subsequently to remove the extraneous matter so that the oil could be sold as white oil. That could only be defeated by applying some form of chemical test at the time of importation. That is a matter again which requires examination.

Then my friend, the Leader of the Opposition, made it clear that what he wanted was a definite guarantee that, if the lower rate of duty was imposed, it would be accompanied by a lower price to the consumer. If what is wanted is anything in the nature of a legal guarantee requiring provisions to be made in the law to give effect to them, then I say that is a matter which requires very careful examination, and I for one should not be prepared offhand to put any proposal before this House. It is a very difficult matter. It might require a detailed examination of prices, and until Government were satisfied that the thing could be done and done without undue difficulty and expense, they do not think they would be justified in giving their assent.

What I am prepared to say is this. Between now and the September Session, Government will be ready to examine the matter to see whether these difficulties to which I have referred can be overcome, and to consider whether, taking all the circumstances into account, it would be reasonable to differentiate in this way between white oil and yellow oil. If they reached the conclusion that the difficulties could be overcome, and if they felt that in all the circumstances a good case had been made out, then it would be possible for them to lay proposals before the Legislature. It is also possible, if some of my friends on the other side are right in thinking that our forecasts of the revenue are unduly pessimistic, that by that time we might be able to face some sacrifice of the revenue we at present hope to get and which at present we cannot give up. But for

[Sir George Rainy.]

the present all that Government can do is to make it clear that they do not feel they can surrender any part of the revenue they hope to obtain from this duty and that they do not see their way to accept any scheme at present of equalising the rates of duty between the customs and the excise.

Before I sit down, Sir, I should like to say a word on the question that has been raised as to whether the two matters could be discussed together. I have the honour to be styled the Leader of this House, but I am afraid on these technical questions I have small claim to lead. I am usually content to place myself in the hands of the Chair, in such matters. But I do feel the difficulties, and I do not myself see at the moment how a method could be devised by which the two questions can in fact be considered together. I do not find on the paper any amendment which, taken by itself, would raise directly the double issue about equalisation of duties. I do not see at present how it would be possible to devise a form of procedure by which the House could in one vote reach a conclusion both as to the customs duty and as to the excise duty.

Mr. L. V. Heathcote (Nominated Non-Official): Sir, I would deal, if I might, with the closing remarks of the Honourable the Leader of the House. He has mentioned a difficulty which, I think, all of us realise. Possibly that difficulty might be overcome if we were allowed to deal with clause 8 of the Bill before the item in Schedule II. I think there can be very little doubt in this House that there is actually no desire to increase the preference in the duty which is at present imposed on indigenous kerosene oil. If we dealt with clause 8 in the Bill first, and if it was decided by a vote of the House that the increase which is proposed in the excise duty should not be levied, then the House would be forced, unless it was prepared to increase the preference in the duty, to throw out the amendment to Schedule No. II. If, on the other hand, we deal with Schedule II first and decide to throw that out, there may be some difficulty in reconciling ourselves to the attitude to be adopted on clause 8. I do not know whether you would be prepared to give a decision on that point now.

Mr. President: I will give a decision only when I find that there is consensus of opinion in favour of that particular procedure.

Mr. L. V. Heathcote: May I ask you to take the opinion of the House now?

Mr. President: The Chair finds it difficult to do so because most of the speakers on the Opposition Benches have suggested that the two taxes should be considered together. The Honourable Member, Mr. Heathcote, now suggests that, instead of doing that, we should deal with excise first before we deal with the import duty. That is a new suggestion and I am not satisfied that it would be fair to ask the House, to express any opinion about it until one or two Honourable Members have had an opportunity to discuss it.

Mr. R. K. Shanmukham Chetty: I take it that you now invite opinions from the various sections of the House regarding the actual procedure that we must adopt. My Honourable friend, Diwan Bahadur Rangachariar, suggested that the question of the import duty

Mr. President: I should like to point out that I do not wish an elaborate discussion of this issue. Honourable Members on the Opposition Benches, through their Leaders and other Members, have expressed a desire that the two items should be taken together. The Honourable the Leader of the House has pointed out various difficulties in complying with that request. Now, a new suggestion has been made that clause 8 should be taken first before the present clause is discussed, and I should like Honourable Members addressing the House to confine themselves to that issue only.

Mr. R. K. Shanmukham Chetty: I was going to say that it would certainly facilitate discussion in this House if the two issues were discussed together, but when the actual voting takes place, I really cannot see how the two can be taken in one vote. If the suggestion of my Honourable friend, Mr. Heathcote, is that the vote on the excise ought to be taken first, then I very strongly object to that procedure. I can assure my Honourable friend that he cannot catch this House napping in any such manner as that. We on this side have made up our mind that, if at all it lies in our power, we cannot agree to any measure which will increase the price of kerosene to the consumer. To enable us to carry out that object, we must, first of all, see that this proposed increase in import duty is defeated. I therefore submit that we on this side of the House desire, if votes are to be taken separately,—I do not see how else they can be taken—that the vote on the import duty should be taken first, and under no circumstances can we agree to the vote on the excise being taken first.

(Some Honourable Members at this stage rose in their places.)

Mr. President: I do not wish to allow any further discussion. This change can only take place if there is a substantial consensus of opinion. I will ask Mr. Heathcote to continue his observations on the motion before the House.

Mr. L. V. Heathcote: The issue has been to some extent clarified by the decision which has been taken now. The proposal is that the import duty should not be increased to the extent of nine pies. If this proposal is carried, the loss of revenue to Government will be some Rs. 45 lakhs. When we come to discuss clause 8 of the Bill—a similar amendment has been moved to that clause—we shall be faced with the necessity to decide whether we should allow the existing preference to remain, and put the Government to a further loss of revenue to the extent of some Rs. 53 lakhs. I feel from the turn of the debate that we have had this morning, that it is not the intention of the Opposition to make such a large cut in the revenue of the Government as would be brought about by throwing out the proposals altogether for increasing the duties on kerosene oil. The issue, therefore, is, should the preference which remains, be wiped out, or will this House show that it is not entirely satisfied with the reasons which have been given by the Leader of the House for objecting at such comparatively short notice to a rearrangement of the tariff in respect to kerosene oils by distinguishing between one grade and another? The House may feel that the reasons put forward are not fully adequate, and in that case, they may prefer to carry the amendment which is subsequently to be placed before us, if we decide not to carry this present proposal.

[Mr. L. V. Heathcote.]

But, if I might be allowed, I should like to deal with some of the aspects of the case which are involved, or which would be involved by a removal of the preferential duty. In doing so, I realise that my remarks are likely to be regarded to some extent as *ex parte*. Last year, the Leader of the House stated that it had been his experience that no definite statements could be made in regard to the policy of the oil companies in India except by the people in London, and I think that that remark was a fairly true one. I do not expect the House to take my statements, and I do not want to make those statements as indicating matters of policy. I might be able to make a statement in regard to a particular question or a particular result following a certain event, but on general policy it would be impossible for me to do so.

The object of moving this cut is stated to be the desire to reduce the price of kerosene. It is known to this House that the price of the superior grades of kerosene is dependent upon the price of oil in America where the production is so much greater than in any other part of the world that the price in America practically fixes the price in other parts of the world. As the Honourable the Mover, I think, stated, as soon as the Budget speech was announced, the prices of kerosene were raised by the full extent of the increase of duty, and it might be thought that, were the import duty to be reduced by the extent to which it has recently been increased, the prices would go back to their old level. That, I think, would be, perhaps, not an unnatural assumption. But I certainly would not care to say that that would be the result and I feel that unless Members of the House are satisfied that by cutting the revenue of the Government in this manner they are certain to succeed in providing some alleviation in the present difficult circumstances to the consumers of this country, they would prefer to pay attention to other proposals of the Government and to amend those which offer greater certainty that the average individual in this country will benefit. While I certainly cannot say that the prices of kerosene would be reduced in India as a result of an alteration of the import duty alone, that must be the tendency. On the other hand in removing what little preference is left to the indigenous producers, certain other effects might conceivably be brought into being which I think I might possibly be allowed to indicate to this House. Last year the Honourable the Leader of the House made certain statements with regard to the quantity of yellow kerosene oil which the Burmah Oil Company have been supplying to India at considerably below the market rate. The supply of this oil at below the market rate has been done under no obligation. No agreement has been made with the Government that it should be so supplied, but in fact it has been supplied, and I think that the Honourable the Leader of the House made clear last year the benefit which has been given to India as a result of this gratuitous assistance which the Burmah Oil Company have rendered to India. Such an arrangement I can scarcely conceive will continue, should remaining preference given to India be taken away. I cannot say whether it would, but it would seem to be extraordinary that a company which is registered in Glasgow would continue such philanthropic action when they receive no benefit from the country.

As has been said by one of the speakers just now, the ordinary value of inferior kerosene in other parts of the world where it is sold, although

it is not sold yellow in other parts of the world, is 4 annas per 8 gallons below the price of what is called the ordinary superior kerosene in India. Here in India it is sold at an anna a gallon, 8 annas a unit below superior and that is only possible by reason of the supply of this large quantity of oil which the Burmah Oil Company send to India at below the market price, resulting in the average price of the inferior oil which is sold by them and their associates being below the ordinary inferior price, which would be expected to rule on the basis of prices ruling elsewhere. So although the effect of an alteration in the import duty might not be immediate, neither could we be certain that the prices would be reduced immediately if this increase in import duty were not to come into force, and one could equally not be certain that immediately the price of inferior kerosene would be raised. As surely as the tendency of the one would be to reduce the prices of superior oil, so surely will the tendency of the withdrawal of the supply of specially cheap inferior kerosene be to increase the price of that oil. Consequently in my view, the removal of the import duty by itself would not have that benefit which the Honourable the Mover of this amendment thinks it would have.

Continuing with the question of whether it is desirable to remove the remainder of the preference which is given to indigenous oil companies, I would ask the House to consider whether they would be quite consistent in taking a line of this sort with the line which some of them are likely to take shortly, when we come to consider the proposal to impose a duty on foreign salt. As Members of the House are aware, there is very severe competition among foreign suppliers of salt to Bengal. The result has been that there has been a very serious drop in prices to the undoubted benefit of the consumer in Bengal. Past history, however, has shown that there has been a tendency from time to time for the foreign suppliers of salt to get together and make a ring and to raise the price of salt in Bengal to what might possibly be called a profiteering level. The prospect of this happening again is thought to be so certain that the proposal we shall have to consider shortly is that the definite advantage which Bengal is securing from this severe competition should be removed. Bengal should not be allowed to buy its salt so cheaply and by encouraging the local industry efforts should be made to prevent these rings being made or arising in future. Here we have exactly the opposite line. It is hoped that if the preference which is at present given to indigenous oil companies is removed, India will be opened to severe competition from all parts of the world. The attitude therefore would seem to be that we are prepared to injure or at least remove the advantage which lies with the indigenous companies by reason of the preferential duty, in order to open India to severe competition and lower prices which might conceivably prevail from abroad. No fear is expressed in this connection that those foreign suppliers might come together and raise prices in India to an undue extent, although it can be regarded as certain that when the companies in India are not treated favourably, they are not likely to withstand high prices. That seems to be an inconsistency which I do not believe this House will adopt, if the matter is fully understood. And it is not only a matter of prices. It is also a matter of maintenance of supplies and as many Members of the House know, I think they must know, that during the war the Burmah Oil Company maintained its supplies to India at the level at which it had been accustomed to supply India. Whereas certain foreign

[Mr. L. V. Heathcote.]

companies withdrew their supplies, presumably to sell them in markets where better prices were available. If preference were withdrawn from the Burmah Oil Company, is it reasonable for this House to expect that they will maintain their supplies to India, should such a difficult situation arise again and they found prices in other parts of the world very much more favourable than could be offered by India? That is another aspect which deserves attention.

While a preferential duty exists for indigenous oil, it is not difficult to understand that it pays to develop sources of oil, which would not be paying concerns had there been no expectation of obtaining a preference. I can give no accurate figures, but even if I could, I suppose they would not be fully appreciated in all their aspects by Members of the House; but I do know that immense sums of money have been spent by the Burmah Oil Company in developing their properties in India. Many of these schemes would not have been regarded as suitable schemes in which to invest money unless there was some secure feeling in the mind of the Company that they would continue to receive the benefit of a preferential duty. The tendency of withdrawing the preferential duty must therefore be to encourage the Burmah Oil Company to look to other countries of the world for the investment of their money. Development in India must mean the expenditure of large sums in the country.

There is another aspect of the matter. Oil companies are generally considered to be monopolists. The removal of the preferential duty will, as the Honourable the Leader of the House has pointed out, hit the smaller companies very much more severely than it would hit the bigger companies. The smaller companies are already finding it difficult to make both ends meet as a result of the halving of the preference which took place last year. The result of weakening them further must be to drive them into the hands of the Burmah Oil Company, thus strengthening the position of that Company and enabling it to secure supplies of oil which, with its capital alone, can be properly developed. These are all tendencies; they cannot be regarded as anything else; but I think the serious nature of these tendencies, and the certainty that the tendencies will exist, should be fully realized by Members of this House.

The Honourable the Leader of the House has stated that it would be very difficult for the Government to accept the proposals, which have been made, to differentiate in the matter of duty between the yellow and the white kerosene. That is an expression of opinion which must remain, I think, an expression of opinion; but certain remarks were made as to the possibility of a loophole being offered through which it would be natural for the oil companies concerned to try and crawl were it open to them; and I think it can be said that, as a permanent proposal, differentiation in colour alone would not be a satisfactory method of distinguishing between the two qualities of kerosene. As has been pointed out, the proposals of the Finance Member are, we hope, temporary, and as long as they are temporary, it may be taken that it will not be worth while for any oil company to go to the expense of providing itself with a semi-refining plant at each of the several ports in India at which kerosene is imported for the sake of the purely temporary benefit that it might derive from its imports during 12 months. Plant would be very expensive and would take a very considerable time to purchase and erect.

Thus as far as the principle of removing the preferential duty is concerned, I am definitely opposed to the present amendment; but if Honourable Members find it difficult to arrive at a conclusion as to the line that they should take on this amendment in the absence of any certainty of what might happen were the opportunity given to them of voting on a subsequent amendment in regard to differentiating between yellow and white kerosene, I can say that were this second amendment carried, so that the duty on inferior kerosene—whether it be an excise duty or customs duty—is lower than the duty on superior kerosene, whether it is an excise or an import duty, to the extent that a differentiation is made in the duty, I can assure Honourable Members of this House that that differentiation will be reflected in full in the price at which the oil companies will sell their yellow oil.

Diwan Bahadur T. Rangachariar: How does the Honourable Member propose to give to the consumer the benefit of that?

Mr. L. V. Heathcote: By reducing the price of inferior oil.

Diwan Bahadur T. Rangachariar: Has he got an assurance from the London office to that effect?

Mr. L. V. Heathcote: I have the assurance of my London office.

Diwan Bahadur T. Rangachariar: Will the Honourable Member repeat it?

Mr. L. V. Heathcote: The assurance is that if the import and excise duties on inferior kerosene remained at their old level while the import and excise duties on superior kerosene were put at a higher level, maintaining the existing preferential duty, the difference in the level of duty on inferior and superior kerosene will be immediately reflected in the prices of these oils.

Mr. R. K. Shanmukham Chetty: Will the Honourable Member explain how it is from the point of view of the consumer better than the present position,—how it is from the point of view of the consumer a more advantageous position than it is now?

Mr. L. V. Heathcote: Yellow oil will be cheaper.

Mr. R. K. Shanmukham Chetty: That is no concession. We want it still further cheapened. My Honourable friend says that if we give a bigger margin, instead of putting it into his pocket, he will give it to the consumer?

Mr. L. V. Heathcote: That is exactly what we say.

Mr. R. K. Shanmukham Chetty: Thank you.

Mr. L. V. Heathcote: With that assurance in the matter of price, Members may prefer, and I hope they will, to vote against this amendment and wait until the later amendment in regard to yellow kerosene comes forward.

Mr. Arthur Moore (Bengal: European): On a point of explanation, Sir. May I ask whether at the end of this discussion we shall be asked to vote first on clause 3 and then on clause 8, or whether there will be a further discussion and the vote on clause 8 will be taken only when it is reached in the ordinary course after clauses 4, 5, 6 and 7 have been disposed of?

Mr. President: It will be taken in its ordinary course. There are several amendments after this amendment is disposed of proposing to amend Schedule II. They will all be taken up after the disposal of this amendment.

Mr. B. Das: Sir, in 1929 when my Honourable friend, Sir George Schuster, was new to this House, he found that there was a revolt from the back Benchers against the front Benchers and he was surprised to find then that in the matter of the appointment of the Banking Inquiry Committee the back Benchers revolted against the front Benchers. Sir, if today some of us, the back Benchers, appear to revolt against these leaders on the front Benches, it is not because we have not got our due respect for them, but it is because some of us who are business men sincerely differ from them in this matter. We do not want to be diplomats and to hope for things that will happen in the immediate future in London at the Round Table Conference. Sir, I was surprised to hear the speech of the Honourable the Leader of the House. He sang quite a different tune this year to what he did last year. Last year he spoke with firmness about the position of the oil and the oil industry. But this year probably he got a little inspiration from the front Benches on this side and spoke in quite a different tune. He wanted to examine the position over which he was so cocksure last year. Sir, this is not a new stunt on our part to start this agitation about the equalisation of the duties on kerosene oil. We were encouraged to do so by the Honourable the Finance Member last year. In his Budget speech, which I quoted before and which I am going to quote again from memory, my Honourable friend said that he could not go to the extent of equalising the excise duty with the import duty. He went half way and thereby we felt encouraged. The Honourable the Finance Member could have gone the whole way this year.

Sir, the Leader of the House enunciated a principle, a very dangerous principle, that I do not think this House can concede either to him or to the Honourable the Finance Member. He said that this House has no privilege to remodel the structure of taxation. He said that if this House reduces the import duty by 9 pies and maintains it at the present level of 2 annas and 3 pies, and if this House votes against the proposal of the Honourable the Finance Member about excise duty and raises the excise duty to 2 annas and 3 pies, Government would not be a party to it. Sir, I understood from the discussion of last year, that Government had no intention of looking at the kerosene problem as a problem of protective duty. It was a pure revenue duty and I will show from the speeches of the Honourable Sir George Rainy that in his mind he was quite clear that the oil industry in India needed more protection. But today I was surprised to hear the Leader of the House to say that he would not countenance the remodelling of the structure of taxation even if it was the wish of the House.

Sir, much has been said by my friends on this side of the House to the effect that indigenous industries should be protected. I do not think even the Treasury Benches have ever thought that the Burmah Oil Company is an indigenous company. It has a sterling capital, it does not pay income-tax to the coffers of my Honourable friend, Sir George Schuster. I should like to know how it is indigenous? Does it pay income-tax?

The Honourable Sir George Schuster: Certainly it pays income-tax on its Indian profits.

Mr. B. Das: Is not the Company registered in London? Has the Honourable the Finance Member any machinery by which he can get his income-tax in London?

The Honourable Sir George Schuster: If my Honourable friend will give me time, I will look up the figures and give him privately some information on the point.

Mr. B. Das: It has been the policy of the Treasury Benches that, whenever an indigenous industry needs protection, it is referred to the Tariff Board. The Tariff Board submit the report which is usually shelved. I will just mention one instance, namely, the chemical industries. No action has been taken on that Report. Even in the case of the match industry, no action was taken. The Reports of the Tariff Board on the chemical industries and on the protection of pig-iron have never been published so far. But Government was in an indecent haste last year to publish the Report of the Tariff Board on the protection of kerosene oil. Afterwards, of course, they found that there was no substance in the demand for the protection of oil industries. My Honourable friend, Mr. Arthur Moore, gave the whole case away when he spoke on this subject last year. He said that protection was not in vogue before 1922 and such industries which were controlled from London had no opportunities to demand protection, whether it was needed or not. My friend, Sir Purshotamdas Thakurdas, quoted on the floor of the House a statement which was made on the floor of this House in 1922 by Sir Frank Carter, which gives the honest opinion of the European business interests about the Burmah oil industry. I need no apology for quoting that statement again. It runs thus:

"The import duty on foreign oil used to be 1½ annas per imperial gallon. It is now raised to 2½ annas per gallon. Government have also imposed an excise duty of 1 anna per gallon on kerosene oil produced in India. I do not myself see why this excise duty should not be the same as the import duty on foreign oil, namely, 2½ annas per gallon. Most of the oil produced in India comes from Burma and we all know that oil companies are some of the largest and richest companies in the world. Is there any reason why the oil companies of Burma should be let off so cheaply? It is not as if all the profits they make are spent in India."

I have never had the pleasure of meeting Sir Frank Carter, but I am in full sympathy with the ideas he expressed. Of all the profits that my friend, Mr. Heathcote, and his friends derive, a microscopic portion only is spent in India.

Sir, last year when my Honourable friend, Sir George Rainy, replied, he almost expressed the sentiments and the spirit of Sir Frank Carter's statement. He said there was one small oil company, the Victoria Oil

[Mr. B. Das.]

Company, that needed a little protection. Of course last year the question was once for all shelved and it was decided that the oil industry in India needed no protection. Sir, we are interested in Indian business, and the development of Indian trade and commerce and we found to our gratification that that question was permanently shelved. At the time, we thought, the Honourable the Finance Member, if he is in future faced with the problem of raising further taxation, would equalise the excise duty and import duty on kerosene oil. When he is faced with the same problem this year, he should take his courage in both hands and equalise it. I have every sympathy with what fell from my Honourable friend, the Leader of the Opposition, and from my Honourable friend, Mr. Reddy, about safeguarding the interests of the consumers, but I think they have somehow raised their hopes on the assurances of business men. I am a business man and in the past you, Sir, had been a business man. We business men have our own morality, and own business standards. Any assurance given by a business man to politicians on the floor of the House can in no way be binding on his business.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): The Chair is not a business man; and the Chair has got no morality.

Mr. B. Das: In the old day, the Chair was in business.

Maulvi Muhammad Yakub: No, the Chair was never in business.

Mr. B. Das: We, business men, are business men first and politicians after. I do not think we, business men, can take seriously any offer made to politicians by a business man—politician; that is why we cannot rely on the words spoken by politicians here in this House or outside in the lobby as to assurances from business men, or on what has fallen from my Honourable friend, Mr. Heathcote, namely, that his London office will reduce the price of yellow oil and give the benefit to the consumer. He cannot guarantee such reduction nor commit his firm to future reductions. Such commitments are not binding on the firm. I say that if we business men believe so quickly assurances as political leaders do, I am sorry for us. I know that we business men are hard-headed men, and we will squeeze out every penny out of the consumers and out of trade and commerce (Hear, hear).

Sir Cowasji Jehangir: Why libel the business man?

Mr. B. Das: I hope my Honourable friend will pardon me; he represents a very big business house. I do not libel business men. I was saying that business men were business men first and politicians after. They do not speak kind words first and then back out of them. If any business man does that on the floor of the House, I say that that man is using the politician's subterfuge. I would ask Honourable Members of this House, especially new Members, to read every word that my Honourable friend, Sir George Rainy, spoke last year on the floor of the House. My Honourable friend, Mr. Heathcote, says that if there is a high difference in the level of price between yellow oil and white oil, he will try to return it to the consumer. My Honourable friend, Mr. Chetty, interjected rightly and brought out the fact that if we can give the Burma oil a big

margin, then only my friend, Mr. Heathcote, can see his way to reduce the price of yellow oil. I cannot understand how my Honourable friends, Mr. Rangachariar and Mr. Reddy, believe that this present difference in the excise duty and the import duty on yellow oil comes back to the consumer. I am surprised. It will never come back to the consumer. It has never gone to the consumer. It has only gone to swell the huge profits that my Honourable friend, Mr. Heathcote, derived last year. My Honourable friend, Sir George Rainy, said last year that they paid 30 per cent. profit not only on the share capital subscribed, but also on the bonuses. My Honourable friend, Sir Cowasji Jehangir, interjected last year on that very question. For every pound share, they were given a £3 share as bonus and in addition the shareholders derived 30 per cent. dividend. That means on the original capital they derived 120 per cent. profit. My Honourable friend talked about the question of protection to indigenous industries. Here is a book in my hand called, "the External Capital Committee's Report" and this Committee was appointed by Sir Basil Blackett. He put his signature to it. Mr. Currie, Mr. T. C. Goswami, Mr. C. A. Innes, Sir P. S. Sivaswami Aiyer, Pandit Madan Mohan Malaviya, Mr. G. A. Natesan and others also put their signature to that Report. The Government never even touched this book with a pair of tongs. Why, the reason was that they never wanted that indigenous industries should thrive. That Committee insisted that those who claimed to be indigenous industries, those companies should be registered in India, should be in rupee capital, that 75 per cent. of the shareholders should be Indians, and that they should have Indian Directors on their Board. That is why I questioned my Honourable friend, the Finance Member, whether he derived any income-tax from the sterling companies that are registered in London. The above Report also insisted that these companies should give technical training to Indians who are willing to join those companies. Sir, this External Capital Committee's Report was a very welcome report and this was produced after great deliberations by that Committee, which enquired into the whole affair after the question cropped up after the steel protection. The Tariff Board also made some recommendations about external capital but the Government never bothered their head, about that Report, because that would touch the pocket of their own countrymen, both Scottish and English, who are trading in this country. I use the word Scottish because the Leader of the House always reminds us that he is a Scotchman. As my Honourable friend, Sir George Rainy, is here, I would like to quote one or two sentences from his very able and very remarkable speech which he made last year in the matter of kerosene oil. At page 2142, of the Assembly Debates this is what he says:

"Now, Sir, I find great difficulty in understanding what the exact force of this argument is supposed to be, that because during the war period, the oil companies were reasonable and did not attempt to profiteer as regards the oil used by the poorest classes of consumers, therefore they are to continue to enjoy indefinitely the benefit of the difference between the import and excise duties."

Sir, what my Honourable friend was saying was that the poorer consumers never got the benefit of the difference between the import duty and the excise duty. My Honourable friend must have examined the evidence before the Tariff Board and he must have had a talk with Sir P. Ginwala and his colleagues. In one place he mentioned:

"I have never found anyone in India who could give me a perfectly clear explanation of how the policy of the kerosene pool was determined."

[Mr. B. Das.]

My Honourable friend went on discussing the prices and today he says, "Give me some little time, let it be investigated and Government may be able to find a way about equalising the excise duty and the import duty".

Diwan Bahadur T. Rangachariar: About yellow oil?

Mr. B. Das: Yes, I am coming to yellow oil. In referring to the yellow oil, Sir George Rainy mentioned that he did not understand the manner in which it was applied since May, 1928, because it was a policy of maximum price. This is what he said on the last occasion:

"But if that is what we are asked to believe I do not understand what the maximum price policy of the pool, as it is called, means, and I do not understand the manner in which it has been applied since May, 1928, because if the maximum price policy is intended to benefit the poorest classes of consumers, then it is difficult to see why the companies made a concession amounting to over four annas a unit to the consumers of white oil, who are not the poorest classes of consumers, and have narrowed down the difference between the price of yellow oil and of white oil to only eight annas a unit."

Sir, it was Rs. 1-6-0 before. We are discussing here all these theories and my Honourable friend, Mr. Heathcote, says that his Directorate in London, in one genial moment, might declare in anticipation of future settlement of the Indian constitution some day, that they would give the poor man the benefit of the difference between the import and the excise duties, but this is a thing which business men will never do nor any business man will believe.

I do not want to take up any more time of the House, but I wholeheartedly support the amendment moved by Mr. Mitra. When the time comes for the excise duty on kerosene to be raised to the level of two annas and three pies, I will wholeheartedly support it. Thereby the Finance Member's pockets will not be touched and he will get the money that he needs this year.

I will now reply to one point about the ring policy which my Honourable friend, Mr. Heathcote, referred to in connection with salt, a rate war among the importers who are surely his countrymen. The price of salt has gone down in Bengal, but I will ask him why it has gone up in Burma. It is selling in Bengal at Rs. 35 per 100 maunds but in Burma it is selling at much more than Rs. 100 per 100 maunds. These gentlemen have joined the ring to bring down the price of salt to kill the Indian salt industry and from Burma they are making up the losses which they incurred in Bengal. We know rate wars, every business man understands it, but we do not want that it should be pointed out to us. It does not convince us in any way.

With these words, I support the amendment.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): Mr. President, I am not a business man; I do not know how far I can claim to be a politician either; and certainly if the implications of a politician are such as Mr. Das described, or if the implications of a business man are such as Mr. Das implied, I should hesitate to call myself either the one or the other. I want to look at this question purely from the point of view of the consumer and in the long speech that Mr. Das delivered, I did not hear much reference to the consumer. Sir, the

consumer will be to a certain extent hit if the price of kerosene goes up. Now, there are two duties that have been proposed by the Finance Member, an excise duty on indigenous oil and an import duty on imported oil. What will be the position of the consumer if the excise duty alone remains at the level at which the Finance Member purposes it and the import duty is reduced? Is the consumer going to be benefited, or is he not going to be benefited? That is the sole consideration that I have before me; and if the consumer is to be benefited, should I necessarily come to the conclusion that both the excise duty and the import duty should go? These are, I venture to submit, the only considerations that ought to actuate the House in considering the question at the present stage. In considering the Finance Bill and in considering the consumer's point of view I do not think it is relevant for us to consider whether the Burmah Oil Company is preferentially treated for the time being or whether the import duty and the excise duty should be equalised. Now, Sir, my friend has suggested that the import duty alone should be removed—the higher duty I am talking of—and that the excise duty should remain as proposed by the Finance Member. What is the guarantee that the prices of kerosene will fall down? We know that directly the excise duty and the import duty were raised, the price of kerosene went up on the 1st March almost automatically as soon as the Finance Member introduced his Bill. If the import duty alone is removed, will the price go down? I should like to have some assurance from those Honourable Members who are pressing for the removal of the import duty alone. I am told that last year when the import duty and the export duty were raised, the price of kerosene oil did fall down.

Mr. R. K. Shanmukham Chetty: That is because the import duty was reduced last year and not increased.

Diwan Bahadur A. Ramaswami Mudaliar: That is just the point that I am making. Last year I understand the import duty was reduced but the excise duty was kept at the proposal made by the Finance Member and the price did go down. But it seems to me that it is rather dangerous to assume that the same process will be repeated this year also. There may be a limit beyond which the prices may not be reduced,—the limit of profiteering perhaps—but I want my Honourable friends to realise this. I know as an ordinary consumer that oil companies work on a joint basis with the foreign oil companies. The Standard Oil Company and the Burmah Oil Company are the big oil companies in India, the two companies which are carrying on their business in the Madras Presidency at any rate. They work on a fairly common understanding in these matters and my friend, Mr. Chetty, referred to that fact.

Mr. R. K. Shanmukham Chetty: Mr. Heathcote did not confirm it.

Diwan Bahadur A. Ramaswami Mudaliar: I confirm it as a consumer. Mr. Heathcote for purposes of his own may not be prepared to confirm it. They want to keep up the artificial atmosphere of war between them, but we know that both these companies work on a common basis and they have common understandings so far as the rates are concerned. They may try to compete with each other to push up their sales. They may worry their agents to have more white oil business in one quarter as compared with another company's white oil, or to have less. That is

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not the sort of competition I am referring to. But so far as the prices are concerned, we know that they are maintained at a common level and that there is no competition between the Burmah Oil Company and the Standard Oil Company. Therefore, Sir, the point follows that if the import duty is alone removed, it merely means an excess of profit to those companies which import their oil into this country. Is that what my friends want, the consumer not being benefited and the additional duty profit being put into the pockets of the companies? Now, Sir, I have not made up my mind on this question at all, but I should like to ask my Honourable friends how they are able to establish that the lowering of the import duty is in any way going to benefit the consumer. We have to look at it from the point of view of the consumer. I agree that it may benefit those agents who are the agents of the importing companies. But beyond that

Sir Cowasji Jehangir: Who are they?

Diwan Bahadur A. Ramaswami Mudaliar: A great deal of reference was made to them on the last occasion when this matter was discussed in this House. I do not want to go into that. It may be that the agents may find it more facile to push their sales on account of that. But if from that the inference is to be drawn that by lowering the import duty alone, the consumer is going to be benefited, I venture to suggest very respectfully that, with the information I have before me, I am not satisfied that that course will follow.

Mr. B. Das: The price will fall by four annas per tin.

Diwan Bahadur A. Ramaswami Mudaliar: That is exactly what I am contesting. How does the Honourable Member say practically as a matter of axiom 13 of Geometry that prices will fall down merely because the import duty is reduced and the excise duty kept where it is? I have suggested that these companies have an understanding with reference to the rates that prevail with regard to the oil, and I say therefore that, with that understanding there will be no reduction at all but the prices will be kept up and the additional profit will go into the importing companies' pockets.

Mr. R. K. Shanmukham Chetty: Therefore the consumer will be at the mercy of these companies whatever you may do.

Diwan Bahadur A. Ramaswami Mudaliar: No, Sir, the consumer is not at the mercy of the companies whatever we may do. If the excise duty and the import duty are both reduced,—and that is what I was going to ask my Honourable friends whether they are prepared to do in the interest of the consumer, and we are thinking only of the consumer—if the increase in the excise duty and the increase in the import duty are both reduced, then I venture to think that no company would keep up the level of prices to what they are today. They are bound to take their prices back to what they were before the 28th February when the Finance Member made his Budget speech.

Mr. R. K. Shanmukham Chetty: That difference is there already.

Diwan Bahadur A. Ramaswami Mudaliar: I do not know whether I can make myself very much plainer than I have tried to make myself on this occasion. If the import duty alone is reduced and the excise duty is kept up, the understanding between the companies will still continue and the present level of prices, which has come up after the 28th February, will not in any way be altered. But if on the other hand the excise duty on the one hand and the import duty on the other are both reduced, then I venture to think that no company will keep up the present level of prices, but the level of prices will drop down to the February rate.

With reference to yellow oil, a suggestion has been made and it seems to me at the present moment that it is a suggestion which is worth being pursued, that if the import and excise duties are reduced, it may possibly help the consumer. We know that in most villages yellow oil is the thing that is consumed. We know that white oil is generally consumed only in cities, and though I agree that to a certain extent the consumption of white oil has spread among classes who were accustomed to consume yellow oil before, we know at the same time that the poorest men generally consume the yellow coloured oil. It seems to me that they are the people who are primarily to be protected and any increase in the excise or import duties will hit hard the poor consumer. If a differentiation can therefore be made between yellow oil and white oil, and if the duties on yellow oil are reduced as far as possible, then I venture to think that the rural consumer will be benefited to that extent at least. As I said, that is a suggestion which is worth pursuing. I realise the difficulties which the Honourable the Leader of the House has pointed out with reference to these matters, and I believe the whole amendment turns upon the possibility of the Government being able to classify certain oils as yellow oils and the duty thereupon coming into force with reference to non-yellow oils, if I may so describe them. Therefore, I should like to ask my friends who are now keen on reducing the import duty two questions: I personally am not prepared to interfere at the present stage with the morality or the immorality of a difference existing between the excise duty and the import duty. I do not think that is a financial question and I do not think it is a question which affects the consumer one way or the other. As I have tried to show, it might be a political question. If it is a political question, then all argument is against such a political question being tackled at the present time. I was not here when my Honourable friend, the Leader of the Opposition, referred to that aspect of affairs. I do not know what exactly he said, but I venture to think that this is neither the proper occasion nor the suitable opportunity when that question should be tackled.

My Honourable friend, the Leader of the House, referred to the possibility of the separation of Burma when this excise duty will automatically become an import duty. I do not know whether Burma will be separated. I hope very much, after the discussion which we had on the last occasion, that the question will further be considered. But even assuming for the moment that Burma will be separated, my Honourable friend will realise that there are exceptional covenants that will have to be entered into between India and Burma; that Burma cannot be treated as any other outside territory for purposes of Customs walls and that we shall have to enter into special negotiations, special contracts and

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special understandings with our Burmese friends, so that import and export to and from Burma and India may be regulated by other methods than those which will prevail as between India and any foreign country. I venture to think that Burma will not be a foreign country for that purpose, and the understanding that will have to be established between Indian delegates and Burmese delegates on this question will preclude such a possibility altogether. I venture to think that this question should be considered purely on its merits at the present time, and we should not import considerations as to whether it is moral to give the benefit of an import duty higher than excise duty to the indigenous oil companies and that any reference to the External Capital Committee and all that is really irrelevant on the present occasion.

I would therefore like to ask my Honourable friends, as I said, two questions: can you give me any assurance whatsoever that merely cutting the difference of the proposed increased import duty will benefit the consumer and bring down the prices? That is the first question I should like to ask. If the answer is not satisfactory, if you can give me no assurance whatsoever on that point, if you want me merely to speculate as to the possible results of the import duty being reduced, then I ask you this further question: are you prepared, to the advantage of the consumer to join me in voting down both the import duty and the excise duty? I personally am prepared to go into the lobby to vote down both; but I do not want to be trapped into voting only for the reduction of the import duty and not for the reduction of the excise duty.

And that brings me to this position. There has been a great deal of talk about the procedure that may be adopted with reference to these questions. The importance of it lies in this fact. Taking the import duty first and taking the export duty afterwards means that the question of reduction of the difference between the two duties will arise in that way and will not arise in any other way. The two questions cannot be discussed together, but I venture to think that if a formal motion is made by a Member of this House and it is accepted, that the excise duty, clause 8, can be discussed first and can be voted upon first and then the import duty, it might be done; or it might be done in another way by a formal motion—I mean on this question of procedure. But I am speaking purely from the personal point of view and giving my own views. I should like to have information as to whether the reduction of the import duty will mean a reduction of prices to the consumer, and if it does not mean that, whether my friends will vote with me on both the amendments.

Mr. Arthur Moore: Sir, I listened with great pleasure to the speech of my friend, Diwan Bahadur Mudaliar, because I think he has imported a considerable measure of reality into the debate. Mr. Chetty used the word “trap” in connection with the proposal Mr. Heathcote put forward, and I think we have just heard the proper reply which shows that the trap was not set by Mr. Heathcote. I notice that Mr. Heathcote’s proposal has been repeated in precisely the same terms by Diwan Bahadur Mudaliar.

I am afraid that our friends from Burma must be suffering considerable disillusionment. They have already had in this Session two field days, when the Opposition were apparently ranged up in their support.

But fine words butter no parsnips, and today when it comes to the question of Burma’s great national industry,—to use the same phrase as I have often heard in connexion with Indian national industries from my friend, Mr. Chetty—when it comes to what Mr. Jehangir Munshi would certainly tell you is Burma’s national industry, what support is forthcoming? We find that this House has suddenly abandoned entirely the doctrines of the Fiscal Commission, has forgotten the theory of discriminating protection and has become whole-heartedly free-trade. I find, Sir Frank Carter quoted with entire approval this year, as he was last year. I say now, as I said then, that Sir Frank Carter was speaking in 1921; he was speaking as a life long free-trader in a free-trade country. That country disappeared soon after that speech, and India became a country of discriminating protection.

I seem to remember something that happened the following year—1922. Sir Malcolm Hailey was Finance Member, and he had even a worse condition of things to face than our present Finance Member. Looking round for sources of revenue, he turned to the cotton duties. Let us remember what the position of cotton was in 1922. The Government had never for one moment admitted that the cotton industry required protection. There had been no Tariff Board inquiry, and it was not for another five years that the cotton industry got so far as to go to the Tariff Board and say “We would like an inquiry”. Yet in 1922, Sir Malcolm Hailey brought in an increase of cotton duties. Did our friends of the Opposition get up and say, “What about the cotton excise? Why do you not increase it also?” There was no word about it. Let them be consistent. What was good in the case of cotton because it was an indigenous industry, ought to be good in the case of oil because it is an indigenous industry, unless you are prepared to say that you are entirely indifferent to the province of Burma

Mr. B. Das: You register the company in India and Burma first.

Mr. Arthur Moore: My friend is entirely labouring under a delusion. That is shown by his idea that the Burmah Oil Company pay no income-tax. The oil industry is not a perquisite of the shareholders of the Burmah Oil Company. The oil industry is a great industry of Burma. I am afraid my friend is so accustomed to talking in terms of one company when he talks about steel, that he thinks this applies also to oil. But there is a very considerable difference, and I do think the House ought to realise that they are dealing with a national industry of Burma and that the question has a tremendous repercussion in that direction. Certainly I think it would be most unfortunate if we were to agree to refuse the Honourable the Finance Member the revenue which he requires from increased imports, and then to turn round and say, “Oh, we will give you the increases in excise, because we are prepared, by a side-wind as it were, to blow away the only single advantage that any one has ever been able to show that the province of Burma gets from its association with this country”.

Mr. Jamal Muhammad Saib (Madras: Indian Commerce): Sir, I must at once assure the House that I am not interested in the kerosene oil industry. I am only interested in it as a consumer. So far as I could understand the position, a large majority of the Members of this House

[Mr. Jamal Muhammad Saib.]

do not want to increase the cost of the oil to the consumer, and I think even Members on this side are with us in that matter. At the same time, I would assure my Honourable friends on the Treasury Benches that we do not oppose this duty just to cut down the Government revenues. It is well known to all of us here that America produces the largest amount of kerosene oil in the world. That being the case, America will be the controlling factor in fixing the price of the oil in this country. If that is so, on the level of the import duty will depend the price at which America will be able to sell her oil in India. I do not think prices in India will go up even if there is any change in the excise duty, provided we do not disturb the import duty level. That being the case, if our idea is merely to keep down the prices, I think we should rather concentrate our attention more on that aspect of the question than on others.

Sir, my Honourable friend here said that if the present difference between the import duty and the excise duty is kept up, their company or interests will be pleased to supply the yellow oil at the low prices ruling now and perhaps they might even bring them down a little more. I would like to point out here that unless they can make good profits in the other articles, it would not be possible to translate their desire into action. I do not think it is a question of philanthropy; it is rather a question of getting a benefit with one hand and giving a smaller one with the other. He even threatened that, if the preference is not retained, there is a likelihood of the price of the yellow oil being forced up. I think, Sir, it amounts to this, that if the difference between the import duty and the excise duty is not kept up, it will mean the lowering of the price of the white oil. Then the white oil products of the Burmah Oil Company may not be sold at a good profit—it may not give the company a good margin of profit,—and in that case they will not be inclined to lower the prices of the yellow oil. I should think that they are not going to utilise all the profits more than is desirable for the benefit of the consumers of the yellow oil.

Then, Sir, the last speaker said that this is a great industry of Burma, but I should think the best test whether an industry is an important industry of a country or not is to see whether the money remains in the country or goes out of the country. From that test, I do not think we can agree that it is a Burman industry, otherwise we should only be too glad to encourage our brethren in Burma to develop their oil industry, even though the cost to our consumers might be a little higher.

Then, Sir, a suggestion was thrown out that the duty should be equalised. We are not concerned very much with it now. There may be a nominal difference between the excise and import duties, but as far as I could understand the position from the discussion, it appeared to me that some Honourable Members are against the increases, both in the import as well as the excise duties and some against one of them. That being the case, I think it would much facilitate matters for Honourable Members to come to a proper decision if the two questions are kept separate and if the question of import duty be discussed first and voted upon and then the question of the excise duty.

Mr. President: Order, order. There are still so many Members desirous of addressing the House that if they are allowed to participate in the discussion there is no possibility of deciding the question today. I should like to ask Honourable Members whether they wish that the discussion should proceed so long as it is necessary to vote on the subject or they wish me to adjourn the House now.

Several Honourable Members: Adjourn, adjourn.

The Honourable Sir George Rainy: I only wish to say this that this is the sixth day this week on which we have sat for a full day and that Honourable Members are naturally tired. But if we adjourn early today, it may be necessary to ask the Chair to sit later some days next week.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhamadan Rural): Sir, today is a Saturday, and we have sat till half past four. After a day's rest tomorrow, possibly Honourable Members might sit a little longer on Monday. I suggest, Sir, that we adjourn now.

Mr. R. S. Sarma (Nominated Non-Official): We can sit till five o'clock.

Mr. President: As regards sitting later in future, that will depend on the circumstances of each day. There can be no binding in regard to it. Very well, gentlemen, I will adjourn the House till Eleven o'clock on Monday.

The Assembly then adjourned till Eleven of the Clock on Monday, the 23rd March, 1931.

LEGISLATIVE ASSEMBLY.

Monday, 23rd March, 1931.

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

MEMBER SWORN:

Lieut.-Colonel H. A. J. Gidney, M.L.A. (Nominated Non-Official).

QUESTIONS AND ANSWERS.

CANCELLATION OF PASSPORT GRANTED TO REV. U OTTAMA.

1068. *U Tun Aung: Will Government be pleased to state:

- (a) whether it is a fact that the passport granted to the Rev. U Ottama, the well-known Burmese monk, has been cancelled;
- (b) if so, what are the reasons for doing so; and
- (c) whether this Government were consulted by the Burma Government before the said cancellation was made?

The Honourable Sir James Crerar: (a) Yes.

(b) Having regard to his activities when he was last abroad, it was considered undesirable that he should retain a passport.

(c) No, but the Government of India approved of the action taken.

U Tun Aung: Has any opportunity been given to Rev. U Ottama to explain any charges made against him?

The Honourable Sir James Crerar: I think that the gentleman in question is perfectly well aware of the reasons for which action has been taken against him.

Mr. Gaya Prasad Singh: May I know the nature of the activities in which the gentleman was engaged, which has prompted Government to take action against him?

The Honourable Sir James Crerar: The gentleman referred to, when he was last absent from India, was engaged in, or associated himself with, revolutionary activities in the Far East.

Mr. Gaya Prasad Singh: If there was sufficient evidence against him, why was he not put on trial?

The Honourable Sir James Crerar: I do not think that that arises on a question with regard to the withholding of a passport.

Mr. K. Ahmed: What are the reasons for which the passport has not been granted? Is there anything at all against him?

CORRIGENDA.

In the Legislative Assembly Debates, dated the 18th March, 1931, Vol. III, No. 5—

- (i) page 2231, line 21, after the words "striking them as very" *insert* the words "strange that, after very able and very learned and famous men have"; and
- (ii) page 2232, line 31, for "include" *read* "induce".